

# Market Information BULLETIN

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ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

## Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, January 2022, USDA, Economic Research Service:*

### Dairy Estimates for 2021

Based on recent milk production data, the estimated number of cows for the last quarter of 2021 (2021–Q4) has been reduced by 10,000 head to 9.385 million head. The yield per cow estimate for 2021–Q4 has been increased by 5 pounds per cow to 5,905 pounds per head. The milk production estimate for 2021 is 226.2 billion pounds, unchanged from last month's forecast.

Dairy export estimates are robust for 2021–Q4. On a milk-fat basis, the 2021–Q4 estimate is 2.9 billion pounds, and the estimate for the 2021 annual total is 11.7 billion pounds, 0.1 billion lower than last month's forecast. On a skim-solids basis, the 2021–Q4 estimate has been raised to 12.2 billion pounds, and the estimate for 2021 has been raised to 51.6 billion pounds (+0.1 billion). Expectations are higher for exports of dry skim milk products

### Dairy Forecasts for 2022

The number of milk cows is projected to continue decreasing in the first part of 2022. For the first half of the year, milk cows are projected to average 9.380 million head. However, in the second half of the year, they are projected to increase to 9.385 million head. The estimated number of cows for the year 2022 is 9.385 million head (rounded up to the nearest 5,000 head), unchanged from last month's projection. In 2022, average yield per cow is projected to be 24,265 pounds, unchanged from last month's projection. The milk production forecast for 2022 remains unchanged at 227.7 billion pounds.

Dairy export projections for 2022 have been lowered from the previous month's forecast. Foreign buyers may temper purchases in response to higher prices. Furthermore, if U.S. prices are higher relative to foreign export prices, this may reduce some of the expected U.S. price-competitive advantage. On a milk-fat basis, the dairy export forecast for 2022 is 11.2 billion pounds, 0.3 billion lower than last month's forecast. On a skim-solids basis, the 2022 dairy export forecast has been lowered 0.2 billion pounds to 51.8 billion.

*Excerpt from Dairy Market Report Vol 25-1 Jan 2022*

### Dairy Products

Although cheddar cheese production was lower than a year earlier during September through November, growth during the period for most cheese and whey products contrasted sharply with marked declines in butter and dry skim milk products. Despite recent significant price increases for butter and skim milk products, compared with more modestly higher prices for cheese, available milk is still being preferentially routed to cheese and whey production.

### Dairy Forecasts for 2022

*(continued)*

Expectations for exports of butterfat products, cheese, and dry skim milk products are lower than last month.

Due to recent strength in imports and higher anticipated domestic dairy product prices, 2022 dairy import forecasts are higher than last month's projections. On a milk-fat basis, the forecast for 2022 imports has been raised to 6.8 billion pounds (+0.3 billion). On a skim-solids basis, the forecast is 5.6 billion pounds (+0.1 billion). Higher imports are expected for cheese and butterfat products. Projections for domestic demand in 2022 have been raised from last month's forecasts.

The projection for 2022 domestic use on a milk-fat basis is 222.4 billion pounds (+0.6 billion). On a skim-solids basis, the forecast for domestic use is 180.3 billion pounds (+0.2 billion). Due to the recent increase in dairy product prices, stronger expected demand, and expectations for only a modest increase in the global milk supply, price forecasts for 2022 have been raised for Cheddar cheese, dry whey, butter, and NDM to \$1.875 (+10.0 cents), \$0.645 (+7.0 cents), \$2.300 (+36.0 cents), and \$1.550 (+4.0 cents) per pound, respectively. With higher dairy product prices expected across the board, Class III and IV milk price forecasts for 2022 have been raised to \$19.65 per cwt (+\$1.50) and \$20.90 per cwt (+\$1.90), respectively. The all-milk price forecast for 2022 is \$22.60 per cwt, \$1.85 higher than last month's forecast.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - December 2021

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.12%	6,518,122	\$2.1139	\$ 13,778,658.10
Class I Differential at Location				212,737.27
Class II Butterfat	44.61%	6,904,557	\$2.2989	15,872,886.10
Class III Butterfat	4.84%	748,319	\$2.2919	1,715,072.30
Class IV Butterfat	8.43%	1,305,018	\$2.2919	2,990,970.77
<b>Total Butterfat</b>	<b>100.00%</b>	<b>15,476,016</b>		<b>\$ 34,570,324.54</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2338**

### Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	72.42%	261,000,981	\$12.20 /cwt.	\$ 31,842,119.66
Class I Butterfat	43.02%	6,518,122	\$2.1139 /lb.	13,778,658.10
Class I Differential at Location		267,519,103		8,741,812.70
<b>Total Class I Milk</b>	<b>69.97%</b>	<b>267,519,103</b>		<b>\$ 54,362,590.46</b>
Class II Skim Milk	18.17%	60,127,096	\$12.22 /cwt.	\$ 7,347,531.13
Class II Butterfat	45.15%	6,904,557	\$2.2989 /lb.	15,872,886.10
<b>Total Class II Milk</b>	<b>17.53%</b>	<b>67,031,653</b>		<b>\$ 23,220,417.23</b>
Class III Skim Milk	7.60%	25,121,505	\$10.71 /cwt.	\$ 2,690,513.18
Class III Butterfat	7.68%	748,319	\$2.2919 /lb.	1,715,072.30
<b>Total Class III Milk</b>	<b>6.77%</b>	<b>25,869,824</b>		<b>\$ 4,405,585.48</b>
Class IV Skim Milk	1.81%	20,601,416	\$12.29 /cwt.	\$ 2,531,914.03
Class IV Butterfat	4.15%	1,305,018	\$2.2919 /lb.	2,990,970.77
<b>Total Class IV Milk</b>	<b>5.73%</b>	<b>21,906,434</b>		<b>\$ 5,522,884.80</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>382,327,014</b>		<b>\$ 87,511,477.97</b>

### Adjustments

Overage and Other Source	\$72,514.26
Inventory Adjustments	(\$36,186.02)
Producer butterfat at uniform butterfat price	(\$34,570,324.54)
Location Adjustments to Producers	\$2,039,108.18
1/2 Unobligated Balance in P.S.F.	\$156,444.21
<b>Adjusted Pool Value</b>	<b>\$ 15.03963</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04963</b>

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

**\$14.99**

Uniform Price per cwt. (Fulton County, Georgia)

**\$22.28\***

\* At 3.5% butterfat test; for information purposes.

### OTHER FEDERAL ORDERS: CLASS I AND UNIFORM PRICES (At 3.5% Butterfat)

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	Dec	Jan	Nov	Dec	Dec
Appalachian (Charlotte)	\$ 22.57	\$ 23.11	\$ 21.13	\$ 22.08	73.37%
Arizona (Phoenix)	\$ 21.52	\$ 22.06	\$ 19.15	\$ 20.07	30.46%
California (Woodland)	\$ 21.27	\$ 21.81	\$ 18.76	\$ 19.33	24.10%
Central (Kansas City)	\$ 21.17	\$ 21.71	\$ 18.25	\$ 19.03	31.26%
Florida (Tampa)	\$ 24.57	\$ 25.11	\$ 22.93	\$ 23.97	83.54%
Mideast (Cleveland)	\$ 21.17	\$ 21.71	\$ 18.53	\$ 19.35	34.80%
Northeast (Boston)	\$ 22.42	\$ 22.96	\$ 19.54	\$ 20.49	31.80%
Pacific Northwest (Seattle)	\$ 21.07	\$ 21.61	\$ 18.38	\$ 19.12	19.63%
<b>Southeast (Atlanta)</b>	<b>\$ 22.97</b>	<b>\$ 23.51</b>	<b>\$ 21.22</b>	<b>\$ 22.28</b>	<b>69.97%</b>
Southwest (Dallas)	\$ 22.17	\$ 22.71	\$ 19.06	\$ 19.77	30.48%
Upper Midwest (Chicago)	\$ 20.97	\$ 21.51	\$ 18.21	\$ 18.61	9.80%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7  
STATISTICAL SUMMARY**

<b>Receipts:</b>		<b>Dec 2021</b>	<b>Dec 2020</b>
<b>Producer Milk</b>			
Class I		267,519,103	280,090,102
Class II		67,031,653	68,679,818
Class III		25,869,824	35,030,701
Class IV		21,906,434	26,320,951
Total Producer Milk		<b>382,327,014</b>	<b>410,121,572</b>
Average Butterfat Test		4.05%	4.00%
Percent of Producer Milk in Class I		69.97%	68.29%
Daily Average Receipts		1,233,129	13,229,728
<b>Other Source Milk</b>			
Class I		8,455,309	4,714,977
Class II		2,795,770	2,126,564
Class III		12,645	0
Class IV		10,407,495	10,466,529
Total Other Source Milk		<b>21,671,219</b>	<b>17,308,070</b>
<b>Overage</b>			
Class I		0	0
Class II		1,002	6,155
Class III		324,075	0
Class IV		10,316	7,994
Total Overage		<b>335,393</b>	<b>14,149</b>
<b>Opening Inventory</b>			
Class I		22,966,787	19,110,948
Class II		1,599,510	691,027
Class III		9,082,634	58,527
Class IV		9,003,979	21,152,782
Total Opening Inventory		<b>42,652,910</b>	<b>41,013,284</b>
<b>Total Receipts</b>		<b>446,986,536</b>	<b>468,457,075</b>
<b>Utilization:</b>			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		24,410,113	21,029,702
Route Disposition Class I		268,344,764	278,442,669
Shrinkage		3,514,934	2,963,399
Transfers & Diversions to Nonpool		2,671,388	1,480,257
Total Class I Utilization		<b>298,941,199</b>	<b>303,916,027</b>
Average Butterfat Test		2.44%	2.42%
Daily Average Utilization		9,643,264	9,803,743
<b>Class II Utilization</b>			
Nonfluid Used To Produce		2,108,265	1,894,452
Shrinkage		11,552	15,027
Transfers & Diversions to Nonpool/Commercial Foods		50,065,835	52,582,617
Used To Produce/Other Uses		19,242,283	17,011,468
Total Class II Utilization		<b>71,427,935</b>	<b>71,503,564</b>
Average Butterfat Test		10.56%	8.93%
<b>Class III Utilization</b>			
Shrinkage		5,070,845	0
Transfers & Diversions to Nonpool		26,499,553	35,089,228
Used To Produce/Other Uses		3,718,780	0
Total Class III Utilization		<b>35,289,178</b>	<b>35,089,228</b>
Average Butterfat Test		2.57%	3.99%
<b>Class IV Utilization</b>			
Inventory		13,409,913	19,223,801
Nonfluid Used To Fortify		1,866,884	2,236,986
Shrinkage		135,520	4,710,567
Transfers & Diversions to Nonpool		25,915,907	28,213,614
Used To Produce/Other Uses		0	3,563,288
Total Class IV Utilization		<b>41,328,224</b>	<b>57,948,256</b>
Average Butterfat Test		6.30%	9.05%
<b>Total Utilization</b>		<b>446,986,536</b>	<b>468,457,075</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2021 is \$22.28 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.99 per hundredweight plus 3.5 times the uniform butterfat price of 2.2338 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In December 2021, Class I use, which is primarily bottled or packaged fluid milk, accounted for 71.14% of all producer skim milk (priced to handlers at \$12.20 hundredweight, plus the Class I differential, see page 2) and 42.12% of producer butterfat (priced to handlers at \$2.1139 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 16.39% of all producer skim milk (\$12.22 per hundredweight) and 44.61% of producer butterfat (\$2.2989 per pound). Class III use, mostly milk used to produce cheese, accounted for 6.85% of all producer skim milk (\$10.71 per hundredweight) and 4.84% of producer butterfat (\$2.2919 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.62% of all producer skim milk (\$12.29 per hundredweight) and 8.43% of producer butterfat (\$2.2919 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>November 2021</u></b>		
Whole Milk	128,241,750	39.00%
Fat Free Milk	13,550,888	4.12%
Low fat Milk (incl. 1%)	29,991,978	9.12%
Reduced Fat Milk (incl. 2%)	98,607,062	30.00%
Cultured Fluid Milk (incl. Buttermilk)	7,739,058	2.35
Flavored Drinks and Milk	50,698,068	15.41%
<b>Total Disposition in Marketing Area</b>	<b>328,828,804</b>	<b>100.00%</b>
Total Disposition by Pool Plants	227,612,911	69.22%
Total Disposition by Nonpool Plants	101,215,893	30.78%
<b>Total Disposition in Marketing Area</b>	<b>328,828,804</b>	<b>100.00%</b>

Receipts of producer milk during December 2021 totaled 382.3 million pounds. There were 18 regulated pool distributing plants, 2 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2021. Class I route disposition in the area was 329 million pounds in November 2021.

***Excerpt from Dairy Market Report Volume 25- 1 January 2022***

## The Dairy Product and Federal Order Class Prices

The monthly average NDPSR survey price for block cheese increased by about a dime a pound from November to December, while the barrel cheese price dropped by about the same amount, leaving the overall cheese price essentially unchanged for the month. By contrast, butter, nonfat dry milk and dry whey prices rose significantly in December. Federal order class prices increased accordingly, with Class III moving up by only 33 cents a hundredweight while the others rose by over a dollar.

## Milk Production

Milk production was marginally lower, by .07 percent, from a year earlier during the three-month period September through November. U.S. milk production has been steadily growing for decades, but production growth has actually been negative, on average, during one out of every six rolling three-month periods over the past two and a half decades. Lower cow numbers were the driver for this latest drop, as average cow productivity still showed a small increase. Milk solids production growth was unchanged from a month earlier in November, as reported by USDA's Economic Research Service, while USDA/NASS-reported year-over-year milk production growth dropped well into negative territory that month.

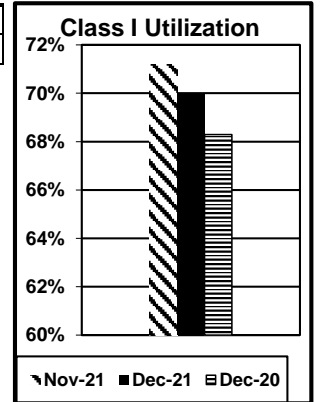
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Dec 2020	\$18.68	\$1.6136	\$23.67	\$8.91	\$1.5469	\$14.01	\$10.71	\$1.5399	\$15.72	\$ 8.26	\$1.5399	\$13.36	\$ 16.05	\$1.5709	\$20.99
Jan 2021	\$13.83	\$1.5989	\$18.94	\$9.03	\$1.5611	\$14.18	\$10.99	\$1.5541	\$16.04	\$ 8.61	\$1.5541	\$13.75	\$ 12.53	\$1.5722	\$17.59
Feb	\$14.17	\$1.6184	\$19.34	\$9.27	\$1.4446	\$14.00	\$11.11	\$1.4376	\$15.75	\$ 8.45	\$1.4376	\$13.19	\$ 12.88	\$1.5119	\$17.72
Mar	\$14.42	\$1.4515	\$19.00	\$9.36	\$1.7246	\$15.07	\$10.51	\$1.7176	\$16.15	\$ 8.46	\$1.7176	\$14.18	\$ 12.68	\$1.6243	\$17.92
Apr	\$13.80	\$1.7115	\$19.31	\$9.03	\$1.9566	\$15.56	\$11.24	\$1.9496	\$17.67	\$ 8.91	\$1.9496	\$15.42	\$ 12.38	\$1.8623	\$18.46
May	\$14.36	\$2.0135	\$20.90	\$9.58	\$1.9921	\$16.22	\$12.45	\$1.9851	\$18.96	\$ 9.55	\$1.9851	\$16.16	\$ 12.98	\$1.9972	\$19.52
Jun	\$15.62	\$2.0054	\$22.09	\$10.12	\$1.9711	\$16.66	\$10.71	\$1.9641	\$17.21	\$ 9.82	\$1.9641	\$16.35	\$ 13.94	\$1.9820	\$20.39
Jul	\$14.75	\$1.9970	\$21.22	\$10.53	\$1.9066	\$16.83	\$10.20	\$1.8996	\$16.49	\$ 9.69	\$1.8996	\$16.00	\$ 13.47	\$1.9437	\$19.80
Aug	\$14.40	\$1.9430	\$20.70	\$10.37	\$1.8578	\$16.51	\$ 9.82	\$1.8508	\$15.95	\$ 9.78	\$1.8508	\$15.92	\$ 13.45	\$1.8916	\$19.60
Sep	\$14.26	\$1.8933	\$20.39	\$10.45	\$1.9458	\$16.89	\$10.10	\$1.9388	\$16.53	\$ 9.92	\$1.9388	\$16.36	\$ 13.45	\$1.9201	\$19.70
Oct	\$14.46	\$1.9801	\$20.88	\$10.63	\$1.9484	\$17.08	\$11.44	\$1.9414	\$17.83	\$ 10.62	\$1.9414	\$17.04	\$ 13.48	\$1.9580	\$19.86
Nov	\$15.53	\$1.9418	\$21.78	\$11.23	\$2.1611	\$18.40	\$10.87	\$2.1541	\$18.03	\$ 11.66	\$2.1541	\$18.79	\$ 14.51	\$2.0636	\$21.22
Dec	\$16.00	\$2.1519	\$22.97	\$12.22	\$2.2989	\$19.84	\$10.71	\$2.2919	\$18.36	\$ 12.29	\$2.2919	\$19.88	\$ 14.99	\$2.2338	\$22.28
Jan 2022	\$16.01	\$2.3040	\$23.51	\$12.91											

**FEDERAL ORDER 7 - SOUTHEAST: POOLED RECEIPTS AND UTILIZATION OF PRODUCER MILK**

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Dec 2020	410,122	1,276	280,090	68.29%	68,680	16.75%	35,031	8.54%	26,321	6.42%
Jan 2021	396,015	1,272	268,925	67.91%	81,387	20.55%	3,963	1.00%	41,740	10.54%
Feb	355,112	1,297	253,450	71.37%	67,513	19.01%	6,956	1.96%	27,193	7.66%
Mar	439,938	1,276	271,841	61.79%	103,290	23.48%	16,331	3.71%	48,476	11.02%
Apr	420,663	1,287	265,574	63.14%	94,748	22.52%	12,847	3.05%	47,494	11.29%
May	385,139	1,289	245,707	63.80%	84,744	22.00%	10,069	2.61%	44,620	11.59%
Jun	363,696	1,272	234,549	64.50%	74,681	20.53%	22,092	6.07%	32,373	8.90%
Jul	349,017	1,250	236,872	67.87%	85,431	24.48%	14,840	4.25%	11,874	3.40%
Aug	361,295	1,272	259,422	71.80%	60,958	16.87%	22,781	6.31%	18,134	5.02%
Sept	367,050	1,297	261,089	71.14%	69,793	19.01%	25,890	7.05%	10,279	2.80%
Oct	384,594	1,272	261,339	67.95%	76,082	19.78%	7,303	1.90%	39,869	10.37%
Nov	376,476	1,268	268,132	71.21%	72,530	19.27%	28,633	7.61%	7,181	1.91%
Dec	382,327	1297**	267,519	69.97%	67,032	17.53%	25,870	6.77%	21,906	5.73%

\*Class I and uniform prices are at Fulton County (Atlanta), Georgia, \*\*Estimated



## Southeast Marketing Area - Federal Order 7

Upcoming Pool and Payment Dates							
Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
January	02/11/22	02/14/22	02/15/22	01/25/22	01/26/22	02/15/22	02/16/22
February	03/11/22	03/14/22	03/15/22	02/25/22	02/28/22	03/15/22	03/16/22
March	04/11/22	04/12/22	04/13/22	03/25/22	03/28/22	04/13/22	04/14/22

\*\* The base rate for making partial payments in Fulton County, GA for January will be \$20.05 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.28 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

### WASDE Dairy Report 1/ WASDE – 620, January 12, 2022

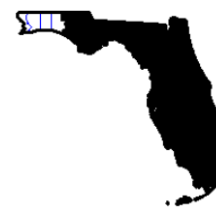
The 2021 milk production estimate and the forecast for 2022 are unchanged from the previous month. On a fat basis, the 2021 import estimate and the 2022 forecast are raised from last month on recent trade data and higher imports of cheese and butterfat products while exports for 2021 and 2022 are reduced. On a skim-solids basis, the 2021 import estimate is raised on recent trade data and higher imports of cheese and milk proteins. The 2022 skim-solids basis import forecast is also raised. The 2021 skim-solids basis export estimate is raised on recent trade data while the 2022 forecast is lowered on slower expected global demand for skim milk powder.

Dairy product prices for 2021 are adjusted to include December data. The all milk price is raised on November data and a higher expected December price. For 2022, cheese, butter, nonfat dry milk, and whey price forecasts are raised from last month on firm domestic demand and tight supplies. Class III and Class IV prices for 2022 are raised from the previous month on higher dairy product prices. The 2022 all milk price forecast is raised to \$22.60 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).



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# Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator



Southeast Marketing Area  
Federal Order 7

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ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

## Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, February 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

Due to declines in milk cows in recent months, higher projected feed prices, a low inventory of replacement heifers, and higher expected cull-cow prices, milk cows are projected to average 9.360 million head in 2022, 25,000 lower than last month's forecast. Milk per cow is projected to average 24,265 pounds per head in 2022, unchanged from the previous forecast. As a result, the milk production forecast for 2022 has been adjusted to 227.2 billion, 0.5 billion pounds lower than last month's forecast but 0.9 billion pounds above 2021.

With U.S. dairy prices expected to be less competitive in international markets, the 2022 export projections are adjusted downward. Lower exports are expected for whey products, dry skim milk products, butter, and cheese.

The forecast for 2022 dairy exports on a milk-fat basis has been adjusted to 11.0 billion pounds, 0.2 billion lower than last month. On a skim-solids basis, the 2022 dairy export forecast has been adjusted to 51.2 billion pounds, 0.6 billion lower than last month's forecast.

Dairy import projections for 2022 have been raised to 6.9 billion pounds on a milk-fat basis (+0.1 billion) and 5.7 billion pounds on a skim-solids basis (+0.1 billion). Higher imports are expected for butter, milk protein products, and several other miscellaneous dairy products.

The forecast for 2022 ending stocks on a milk-fat basis is adjusted to 14.1 billion pounds, 0.4 billion lower than the previous forecast, mostly due to lower-than-expected beginning stocks and lower projected milk production during the year.

*Excerpt—National Milk Producers Federation*

### DEADLINE EXTENDED: FOR USDA'S DAIRY MARGIN COVERAGE PROGRAM

The signup period for 2022 coverage under USDA's Dairy Margin Coverage (DMC) program has been extended by five weeks to maximize producer participation in this important program. DMC offers effective margin protection for small and mid-sized farms and affordable catastrophic coverage for large farms. Nearly \$1.2 billion – a record – in DMC payments are expected to be distributed to producers under the 2021 program, according to USDA data.

Every dairy farmer should sign up for maximum Tier 1 DMC coverage in 2022 by contacting their local Farm Service Agency (FSA) office by March 25, 2022. For more information, visit the [farmers.gov](https://farmers.gov) DMC webpage, or contact your local USDA Service Center.

To locate your local FSA office, visit [farmers.gov/service-center-locator](https://farmers.gov/service-center-locator).

### Dairy Forecasts for 2022 (continued)

The projection for 2022 domestic use on a milk-fat basis is 222.2 billion pounds (-0.2 billion). On a skim-solids basis, the forecast for domestic use is 180.8 billion pounds (+0.5 billion). Due to relatively high domestic and international dairy product prices in recent weeks, lower projected milk production, and relatively low beginning stock levels, wholesale price forecasts have been raised for all major dairy products. For 2022, price forecasts for Cheddar cheese, dry whey, butter, and NDM are \$1.900 (+2.5 cents), \$0.705 (+6.0 cents), \$2.390 (+9.0 cents), and \$1.665 (+11.5 cents) per pound, respectively. With higher dairy product prices expected across the board, Class III and IV milk price forecasts for 2022 have been raised to \$20.30 per cwt (+\$0.65) and \$22.30 per cwt (+\$1.40), respectively. The all-milk price forecast for 2022 is \$23.55 per cwt, \$0.95 higher than last month's forecast.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - January 2022

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.46%	6,197,597	\$2.2660	\$ 14,043,754.79
Class I Differential at Location				203,208.17
Class II Butterfat	36.59%	5,102,021	\$2.9637	15,120,859.63
Class III Butterfat	8.73%	1,217,213	\$2.9567	3,598,933.66
Class IV Butterfat	10.22%	1,425,073	\$2.9567	4,213,513.34
<b>Total Butterfat</b>	<b>100.00%</b>	<b>13,941,904</b>		<b>\$ 37,180,269.59</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.6668**

### Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	78.67%	258,723,471	\$12.21 /cwt.	\$ 31,590,135.79
Class I Butterfat	44.46%	6,197,597	\$2.2660 /lb.	14,043,754.79
Class I Differential at Location		264,921,068		8,665,314.54
<b>Total Class I Milk</b>	<b>77.27%</b>	<b>264,921,068</b>		<b>\$ 54,299,205.12</b>
Class II Skim Milk	8.64%	28,427,294	\$12.91 /cwt.	\$ 3,669,963.65
Class II Butterfat	36.59%	5,102,021	\$2.9637 /lb.	15,120,859.63
<b>Total Class II Milk</b>	<b>9.78%</b>	<b>33,529,315</b>		<b>\$ 18,790,823.28</b>
Class III Skim Milk	9.10%	29,935,273	\$10.40 /cwt.	\$ 3,113,268.38
Class III Butterfat	8.73%	1,217,213	\$2.9567 /lb.	3,598,933.66
<b>Total Class III Milk</b>	<b>9.09%</b>	<b>31,152,486</b>		<b>\$ 6,712,202.04</b>
Class IV Skim Milk	3.59%	11,818,431	\$13.20 /cwt.	\$ 1,560,032.88
Class IV Butterfat	10.22%	1,425,073	\$2.9567 /lb.	4,213,513.34
<b>Total Class IV Milk</b>	<b>3.86%</b>	<b>13,243,504</b>		<b>\$ 5,773,546.22</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>342,846,373</b>		<b>\$ 85,575,776.66</b>

### Adjustments

Overage and Other Source	\$8,926.28
Inventory Adjustments	\$88,347.77
Producer butterfat at uniform butterfat price	(\$37,180,269.59)
Location Adjustments to Producers	\$2,039,459.07
1/2 Unobligated Balance in P.S.F.	\$169,256.84
<b>Adjusted Pool Value</b>	<b>\$ 15.41527</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04527</b>
	<b>\$50,701,497.03</b>
	<b>\$148,880.15</b>

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

**\$15.37**

Uniform Price per cwt. (Fulton County, Georgia)

**\$24.17\***

\* At 3.5% butterfat test; for information purposes.

### OTHER FEDERAL ORDERS: CLASS I AND UNIFORM PRICES (At 3.5% Butterfat)

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	Jan	Feb	Dec	Jan	Jan
Appalachian (Charlotte)	\$ 23.11	\$ 25.04	\$ 22.08	\$ 23.72	71.62%
Arizona (Phoenix)	\$ 22.06	\$ 23.99	\$ 20.07	\$ 22.44	27.34%
California (Woodland)	\$ 21.81	\$ 23.74	\$ 19.33	\$ 21.25	22.10%
Central (Kansas City)	\$ 21.71	\$ 23.64	\$ 19.03	\$ 21.09	30.22%
Florida (Tampa)	\$ 25.11	\$ 27.04	\$ 23.97	\$ 25.49	82.56%
Mideast (Cleveland)	\$ 21.71	\$ 23.64	\$ 19.35	\$ 21.34	36.00%
Northeast (Boston)	\$ 22.96	\$ 24.89	\$ 20.49	\$ 22.74	31.40%
Pacific Northwest (Seattle)	\$ 21.61	\$ 23.54	\$ 19.12	\$ 21.49	19.63%
<b>Southeast (Atlanta)</b>	<b>\$ 23.51</b>	<b>\$ 25.44</b>	<b>\$ 22.28</b>	<b>\$ 24.17</b>	<b>77.27%</b>
Southwest (Dallas)	\$ 22.71	\$ 24.64	\$ 19.77	\$ 21.63	30.44%
Upper Midwest (Chicago)	\$ 21.51	\$ 23.44	\$ 18.61	\$ 20.59	8.50%



**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7  
STATISTICAL SUMMARY**

<b>Receipts:</b>		<b>Jan 2022</b>	<b>Jan 2021</b>
<b>Producer Milk</b>			
Class I		264,921,068	268,924,985
Class II		33,529,315	81,387,270
Class III		31,152,486	3,962,832
Class IV		13,243,504	41,739,615
Total Producer Milk		<b>342,846,373</b>	<b>396,014,702</b>
Average Butterfat Test		4.07%	4.00%
Percent of Producer Milk in Class I		77.27%	67.91%
Daily Average Receipts		11,059,560	12,774,668
<b>Other Source Milk</b>			
Class I		8,921,718	3,479,995
Class II		2,968,195	2,295,528
Class III		29,683	2,031,237
Class IV		3,077,665	8,836,464
Total Other Source Milk		<b>14,997,261</b>	<b>16,643,224</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	1,612
Class IV		3,019	0
Total Overage		<b>3,019</b>	<b>1,612</b>
<b>Opening Inventory</b>			
Class I		22,551,154	21,096,372
Class II		237,390	771
Class III		500,370	7,304,056
Class IV		7,076,376	11,944,732
Total Opening Inventory		<b>30,365,290</b>	<b>40,345,931</b>
<b>Total Receipts</b>		<b>388,211,943</b>	<b>453,005,469</b>
<b>Utilization:</b>			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		22,336,813	19,080,367
Route Disposition Class I		266,235,936	270,668,343
Shrinkage		1,655,867	2,524,082
Transfers & Diversions to Nonpool		6,165,324	1,228,560
Total Class I Utilization		<b>296,393,940</b>	<b>293,501,352</b>
Average Butterfat Test		2.33%	2.28%
Daily Average Utilization		9,561,095	9,467,786
<b>Class II Utilization</b>			
Nonfluid Used To Produce		2,386,027	2,053,445
Shrinkage		0	42,518
Transfers & Diversions to Nonpool/Commercial Foods		17,344,242	65,533,015
Used To Produce/Other Uses		17,004,631	16,054,591
Total Class II Utilization		<b>36,734,900</b>	<b>83,683,569</b>
Average Butterfat Test		15.47%	7.44%
<b>Class III Utilization</b>			
Shrinkage		5,148,049	0
Transfers & Diversions to Nonpool		23,113,915	13,299,737
Used To Produce/Other Uses		3,420,575	0
Total Class III Utilization		<b>31,682,539</b>	<b>13,299,737</b>
Average Butterfat Test		3.94%	2.11%
<b>Class IV Utilization</b>			
Inventory		17,648,369	29,005,200
Nonfluid Used To Fortify		642,639	560,806
Shrinkage		37,263	4,604,728
Transfers & Diversions to Nonpool		5,072,293	25,701,449
Used To Produce/Other Uses		0	2,648,628
Total Class IV Utilization		<b>23,400,564</b>	<b>62,520,811</b>
Average Butterfat Test		12.00%	9.02%
<b>Total Utilization</b>		<b>388,211,943</b>	<b>453,005,469</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2022 is \$24.17 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.37 per hundredweight plus 3.5 times the uniform butterfat price of 2.6668 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In January 2022, Class I use, which is primarily bottled or packaged fluid milk, accounted for 78.67% of all producer skim milk (priced to handlers at \$12.21 hundredweight, plus the Class I differential, see page 2) and 44.46% of producer butterfat (priced to handlers at \$2.2660 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.64% of all producer skim milk (\$12.91 per hundredweight) and 36.59% of producer butterfat (\$2.9637 per pound). Class III use, mostly milk used to produce cheese, accounted for 9.10% of all producer skim milk (\$10.40 per hundredweight) and 8.73% of producer butterfat (\$2.9567 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.59% of all producer skim milk (\$13.20 per hundredweight) and 10.22% of producer butterfat (\$2.9567 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>December 2021</u></b>		
Whole Milk	140,748,317	42.08%
Fat Free Milk	13,813,466	4.13%
Low fat Milk (incl. 1%)	26,798,971	8.01%
Reduced Fat Milk (incl. 2%)	104,123,016	31.13%
Cultured Fluid Milk (incl. Buttermilk)	6,580,495	1.97%
Flavored Drinks and Milk	42,397,818	12.68%
<b>Total Disposition in Marketing Area</b>	<b>334,462,083</b>	<b>100.00%</b>
Total Disposition by Pool Plants	231,973,593	69.36%
Total Disposition by Nonpool Plants	102,488,490	30.64%
<b>Total Disposition in Marketing Area</b>	<b>334,462,083</b>	<b>100.00%</b>

Receipts of producer milk during January 2022 totaled 343 million pounds. There were 18 regulated pool distributing plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2022. Class I route disposition in the area was 334 million pounds in December 2021.

## Class prices rise

### January prices for all individual classes of milk were up from December:

The advanced January Class I base price moved to a 13-month high, up 54 cents from December to \$19.71 per hundredweight (cwt). Adding Class I differentials, the January Class I price averaged \$22.53 per cwt, with a high of \$25.11 per cwt in the Florida FMMO and a low of \$21.51 per cwt in the Upper Midwest FMMO. January's Class II milk price was \$22.83 per cwt, up \$2.99 from December, up \$8.65 from January 2021 and the highest since September 2014. The January 2022 Class III price rose \$2.02 from December 2021 to \$20.38 per cwt, the highest since November 2020, when government purchases of cheese for food boxes supported Class III prices. It's also up \$4.34 from January 2021. The Class IV milk price soared to a 90-month high in January 2022 and is \$9.34 higher than a year ago. At \$23.09 per cwt, it's up \$3.21 from December 2021 and the highest since August 2017. After reaching \$23 per cwt six times in 2014, the Class IV price hadn't topped \$20 per cwt since October 2017.

January Class III-IV milk prices moved higher due to increases in values of butterfat and milk solids used in monthly milk price calculations, but the value of protein was down.

The value of butterfat rose about 66.5 cents from December to almost \$2.96 per pound. The value of milk protein slipped about 24 cents from December to \$2.36 per pound. The value of nonfat solids rose a dime in January to \$1.47 per pound, while the value of other solids increased 7 cents to 52.5 cents per pound. <https://www.progressivedairy.com/news/industry-news>

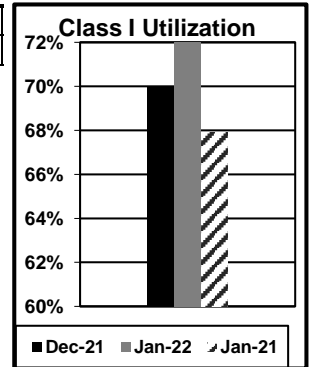
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jan 2021	\$13.83	\$1.5989	\$18.94	\$9.03	\$1.5611	\$14.18	\$10.99	\$1.5541	\$16.04	\$ 8.61	\$1.5541	\$13.75	\$ 12.53	\$1.5722	\$17.59
Feb	\$14.17	\$1.6184	\$19.34	\$9.27	\$1.4446	\$14.00	\$11.11	\$1.4376	\$15.75	\$ 8.45	\$1.4376	\$13.19	\$ 12.88	\$1.5119	\$17.72
Mar	\$14.42	\$1.4515	\$19.00	\$9.36	\$1.7246	\$15.07	\$10.51	\$1.7176	\$16.15	\$ 8.46	\$1.7176	\$14.18	\$ 12.68	\$1.6243	\$17.92
Apr	\$13.80	\$1.7115	\$19.31	\$9.03	\$1.9566	\$15.56	\$11.24	\$1.9496	\$17.67	\$ 8.91	\$1.9496	\$15.42	\$ 12.38	\$1.8623	\$18.46
May	\$14.36	\$2.0135	\$20.90	\$9.58	\$1.9921	\$16.22	\$12.45	\$1.9851	\$18.96	\$ 9.55	\$1.9851	\$16.16	\$ 12.98	\$1.9972	\$19.52
Jun	\$15.62	\$2.0054	\$22.09	\$10.12	\$1.9711	\$16.66	\$10.71	\$1.9641	\$17.21	\$ 9.82	\$1.9641	\$16.35	\$ 13.94	\$1.9820	\$20.39
Jul	\$14.75	\$1.9970	\$21.22	\$10.53	\$1.9066	\$16.83	\$10.20	\$1.8996	\$16.49	\$ 9.69	\$1.8996	\$16.00	\$ 13.47	\$1.9437	\$19.80
Aug	\$14.40	\$1.9430	\$20.70	\$10.37	\$1.8578	\$16.51	\$ 9.82	\$1.8508	\$15.95	\$ 9.78	\$1.8508	\$15.92	\$ 13.45	\$1.8916	\$19.60
Sep	\$14.26	\$1.8933	\$20.39	\$10.45	\$1.9458	\$16.89	\$10.10	\$1.9388	\$16.53	\$ 9.92	\$1.9388	\$16.36	\$ 13.45	\$1.9201	\$19.70
Oct	\$14.46	\$1.9801	\$20.88	\$10.63	\$1.9484	\$17.08	\$11.44	\$1.9414	\$17.83	\$10.62	\$1.9414	\$17.04	\$ 13.48	\$1.9580	\$19.86
Nov	\$15.53	\$1.9418	\$21.78	\$11.23	\$2.1611	\$18.40	\$10.87	\$2.1541	\$18.03	\$11.66	\$2.1541	\$18.79	\$ 14.51	\$2.0636	\$21.22
Dec	\$16.00	\$2.1519	\$22.97	\$12.22	\$2.2989	\$19.84	\$10.71	\$2.2919	\$18.36	\$12.29	\$2.2919	\$19.88	\$ 14.99	\$2.2338	\$22.28
Jan 2022	\$16.01	\$2.3040	\$23.51	\$12.91	\$2.9637	\$22.83	\$10.40	\$2.9567	\$20.38	\$13.20	\$2.9567	\$23.09	\$ 15.37	\$2.6668	\$24.17
Feb	\$16.24	\$2.7917	\$25.44	\$13.67											

**FEDERAL ORDER 7 - SOUTHEAST: POOLED RECEIPTS AND UTILIZATION OF PRODUCER MILK**

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jan 2021	396,015	1,272	268,925	67.91%	81,387	20.55%	3,963	1.00%	41,740	10.54%
Feb	355,112	1,297	253,450	71.37%	67,513	19.01%	6,956	1.96%	27,193	7.66%
Mar	439,938	1,276	271,841	61.79%	103,290	23.48%	16,331	3.71%	48,476	11.02%
Apr	420,663	1,287	265,574	63.14%	94,748	22.52%	12,847	3.05%	47,494	11.29%
May	385,139	1,289	245,707	63.80%	84,744	22.00%	10,069	2.61%	44,620	11.59%
Jun	363,696	1,272	234,549	64.50%	74,681	20.53%	22,092	6.07%	32,373	8.90%
Jul	349,017	1,250	236,872	67.87%	85,431	24.48%	14,840	4.25%	11,874	3.40%
Aug	361,295	1,272	259,422	71.80%	60,958	16.87%	22,781	6.31%	18,134	5.02%
Sept	367,050	1,297	261,089	71.14%	69,793	19.01%	25,890	7.05%	10,279	2.80%
Oct	384,594	1,272	261,339	67.95%	76,082	19.78%	7,303	1.90%	39,869	10.37%
Nov	376,476	1,268	268,132	71.21%	72,530	19.27%	28,633	7.61%	7,181	1.91%
Dec	382,327	1,297	267,519	69.97%	67,032	17.53%	25,870	6.77%	21,906	5.73%
Jan 2022	342,846	1289**	264,921	77.27%	33,529	9.78%	31,152	9.09%	13,244	3.86%

\*Class I and uniform prices are at Fulton County (Atlanta), Georgia, \*\*Estimated



## Southeast Marketing Area - Federal Order 7

Upcoming Pool and Payment Dates							
Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
February	03/11/22	03/14/22	03/15/22	02/25/22	02/28/22	03/15/22	03/16/22
March	04/11/22	04/12/22	04/13/22	03/25/22	03/28/22	04/13/22	04/14/22
April	05/11/22	05/12/22	05/13/22	04/25/22	04/26/22	05/13/22	05/16/22

\*\* The base rate for making partial payments in Fulton County, GA for February will be \$21.75 per hundredweight. This is 90 percent of the preceding month's uniform price of \$24.17 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

### WASDE Dairy Report 1/ WASDE – 621-4 February 9, 2022

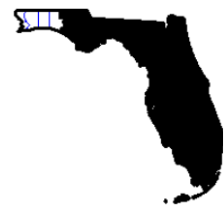
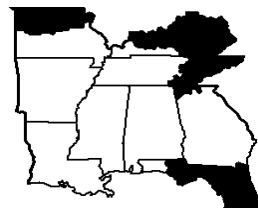
The 2021 milk production, trade, and stock estimates are adjusted to reflect December data. For 2022, the milk production forecast is lowered from last month, on lower dairy cow numbers. The Cattle report estimated the dairy cow inventory on January 1 almost one percent below 2021, and the number of heifers held for dairy cow replacement was 3 percent lower. The 2022 fat basis import forecast is raised on higher expected imports of butter, while exports are reduced on lower expected shipments of butter and cheese.

On a skim-solids basis, the import forecast is raised, reflecting higher imports of milk proteins and several other dairy-containing products while the export forecast is reduced on weaker expected sales of whey products and skim milk powder. Annual product price forecasts for cheese, butter, nonfat dry milk, and whey are raised from the previous month on current prices, lower expected milk production, and tightening stocks. With higher product prices, both the Class III and the Class IV prices are raised. The 2022 all milk price forecast is increased to \$23.55 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).



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# Market Information BULLETIN FO 6 & 7

**\*\*New Format – FO 6 & FO 7 Bulletin Combined\*\***

**Harold H. Friedly, Jr. - Market Administrator**



[www.fmmatlanta.com](http://www.fmmatlanta.com)

March 2022

Volume 23—No. 3

## Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, January 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

Milk production for 2022 is projected at 226.0 billion pounds, 1.2 billion lower than last month's forecast and a decrease of 0.3 billion pounds from 2021. This would be the first year-over-year decrease since 2009. Milk cows are projected to average 9.355 million head in 2022, 5,000 lower than last month's forecast and a year-over year decline of 93,000 head. Relatively low numbers of replacement heifers, higher expected cull-cow prices, and higher expected production costs will likely contribute to the reduction in milk cow numbers. Milk per cow is projected to average 24,160 pounds per head, 105 pounds down from the previous forecast and a year-over year increase of 212 pounds. This projected slowing in growth in milk per cow is associated with anticipated higher feed costs and an expected reduction in feed nutritive value early in the year due to corn silage quality issues. Dairy export projections for 2022 are adjusted lower due to relatively low exports in January and higher expected U.S. dairy prices. The forecast for 2022 dairy exports on a milkfat basis has been adjusted to 10.9 billion pounds, 0.1 billion lower than last month's forecast. Based on recent import data, lower imports of cheese, butter, fluid milk, and cream are expected. However, recent data indicate that imports of milk protein products, condensed and evaporated milk, and other miscellaneous dairy products may be higher than previously expected.

Due to relatively high domestic and international dairy product prices in recent weeks and lower projected milk production, wholesale price forecasts have been raised for all major dairy products. For 2022, price forecasts for Cheddar cheese, dry whey, butter, and NDM are \$2.030 (+13.0 cents), \$0.710 (+0.5 cents), \$2.575 (+18.5 cents), and \$1.740 (+7.5 cents) per pound, respectively. With higher dairy product prices expected across the board, the Class III milk price forecast for 2022 has been raised to \$21.65 per hundredweight (cwt), \$1.35 higher than last month's forecast, and the Class IV price forecast has been increased to \$23.70 per cwt, up \$1.40 from the previous projection. The all-milk price forecast for 2022 has been raised to a record high of \$25.05 per cwt, \$1.50 higher than last month's forecast.

## USDA Makes Available Additional \$80 Million in Funding for Dairy Industry

WASHINGTON, March 2, 2022 – The U.S. Department of Agriculture (USDA) today announced an additional investment of \$80 million in the Dairy Business Innovation (DBI) Initiatives. In November 2021, DBI awarded \$18.4 million to three current Initiatives at University of Tennessee, Vermont Agency for Food and Marketing and University of Wisconsin, and \$1.8 million to a new initiative at California State University Fresno. Under the existing DBI program, which was previously announced through a FY21 Request for Applications (RFA), each Initiative will now have the opportunity to submit additional proposals for up to \$20 million in American Rescue Plan funds to further support processing capacity expansion, on-farm improvements, and technical assistance to producers. "The pandemic has demonstrated that dairy producers and regional dairy processors, particularly those engaged in value-added production, faced systemic shocks over the past several years," said Agriculture Secretary Tom Vilsack. "We have heard directly from producers and processors – particularly organic producers and processors in the Northeast – on how we can work with the industry to build long-term resilience of regional dairy supply chains. The Dairy Business Innovation Initiatives have supported regional-focused efforts tailored to the needs of dairy farmers and businesses locally. This additional funding will expand the capacity of the four initiatives to provide technical assistance and sub-grants exponentially." Since its inception in 2019, DBI initiatives have provided valuable technical assistance and sub-grants to dairy farmers and businesses across their regions, assisting them with business plan development, marketing and branding, as well as, increasing access to innovative production and processing techniques to support the development of value-added products. Separate from this supplemental ARP funding, AMS plans to announce a new DBI Request for Applications later in FY22 contingent upon appropriations. AMS supports U.S. food and agricultural products market opportunities, while increasing consumer access to fresh, healthy foods through applied research, technical services, and Congressionally funded grants. To learn more about AMS's investments in enhancing and strengthening agricultural systems, visit <https://www.ams.usda.gov/services/grants>

## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price - February 2022

#### Producer Milk

	Utilization	Pounds	Price per unit		Value
Class I Skim Milk	83.41%	164,618,299	\$12.44	/cwt.	\$ 20,478,516.39
Class I Butterfat	49.77%	3,809,313	\$2.7537	/lb.	10,489,705.21
Class I Differential at Location		168,427,612			9,405,134.73
Total Class I Milk	<b>82.15%</b>	<b>168,427,612</b>			<b>\$ 40,373,356.33</b>
Class II Skim Milk	13.68%	26,992,782	\$13.67	/cwt.	\$ 3,689,913.30
Class II Butterfat	43.63%	3,339,038	\$3.0288	/lb.	10,113,278.29
Total Class II Milk	<b>14.80%</b>	<b>30,331,820</b>			<b>\$ 13,803,191.59</b>
Class III Skim Milk	2.10%	4,142,673	\$10.71	/cwt.	\$ 443,680.29
Class III Butterfat	2.47%	188,926	\$3.0218	/lb.	570,896.59
Total Class III Milk	<b>2.11%</b>	<b>4,331,599</b>			<b>\$ 1,014,576.88</b>
Class IV Skim Milk	0.81%	1,603,980	\$13.91	/cwt.	\$ 223,113.62
Class IV Butterfat	4.13%	315,728	\$3.0218	/lb.	954,066.88
Total Class IV Milk	<b>0.94%</b>	<b>1,919,708</b>			<b>\$ 1,177,180.50</b>
Producer Milk	<b>100.00%</b>	<b>205,010,739</b>			<b>\$ 56,368,305.30</b>

#### Adjustments

Overage and Other Source	\$ 0.00
Inventory Adjustments	-\$ 2,689.76
Producer Butterfat at Uniform Butterfat Price	-\$ 22,341,417.50
Location Adjustments	-\$ 323,428.24
1/2 Balance in Producer Settlement Fund	\$ 109,551.73

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 17.13149</b>	<b>\$ 33,810,321.53</b>
Producer Settlement Fund Reserve	<b>\$ 0.04149</b>	\$ 81,884.79

Uniform Skim Milk Price (Hillsborough County, FL): \$17.09 /cwt

Uniform Butterfat Price: \$2.9193 /lb

Uniform Price (Hillsborough County, FL): \$26.71 /cwt

### F.O. 7 - Southeast: Uniform Price - February 2022

#### Producer Milk

	Utilization	Pounds	Price per unit		Value
Class I Skim Milk	78.81%	227,709,236	\$12.44	/cwt.	\$ 28,327,028.93
Class I Butterfat	43.12%	5,316,710	\$2.7537	/lb.	14,640,624.33
Class I Differential at Location		233,025,946			7,674,897.61
Total Class I Milk	<b>77.34%</b>	<b>233,025,946</b>			<b>\$ 50,642,550.87</b>
Class II Skim Milk	13.88%	40,096,724	\$13.67	/cwt.	\$ 5,481,222.15
Class II Butterfat	44.14%	5,443,748	\$3.0288	/lb.	16,488,023.97
Total Class II Milk	<b>15.12%</b>	<b>45,540,472</b>			<b>\$ 21,969,246.12</b>
Class III Skim Milk	3.80%	10,993,752	\$10.71	/cwt.	\$ 1,177,430.83
Class III Butterfat	3.16%	389,918	\$3.0218	/lb.	1,178,254.18
Total Class III Milk	<b>3.78%</b>	<b>11,383,670</b>			<b>\$ 2,355,685.01</b>
Class IV Skim Milk	3.51%	10,139,732	\$13.91	/cwt.	\$ 1,410,436.71
Class IV Butterfat	9.58%	1,181,765	\$3.0218	/lb.	3,571,057.49
Total Class IV Milk	<b>3.76%</b>	<b>11,321,497</b>			<b>\$ 4,981,494.20</b>
Producer Milk	<b>100.00%</b>	<b>301,271,585</b>			<b>\$ 79,948,976.20</b>

#### Adjustments

Overage and Other Source	\$ 28,549.97
Inventory Adjustments	-\$ 3,220.08
Producer Butterfat at Uniform Butterfat Price	-\$ 36,053,014.21
Location Adjustments	\$ 1,675,665.23
1/2 Balance in Producer Settlement Fund	\$ 161,599.39

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 15.83673</b>	<b>\$ 45,758,556.50</b>
Producer Settlement Fund Reserve	<b>\$ 0.04673</b>	\$ 135,018.28

Uniform Skim Milk Price (Fulton County, GA): \$15.79 /cwt

Uniform Butterfat Price: \$2.9235 /lb

Uniform Price (Fulton County, GA): \$25.47 /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: February 2022

#### Producer Milk Utilization:

Class I:	82.15%
Class II:	14.80%
Class III:	2.11%
Class IV:	0.94%

#### The Uniform Price

for February 2022 was announced at \$26.71, an increase of \$7.17 from February 2021.

#### Total Producer Milk

for February 2022 totaled 205.0 million pounds, and increase of 8.9 million pounds from February 2021.

#### Total Class I Milk

for February 2022 was 168.4 million pounds, an increase of 7.3 million pounds from February 2021.

#### Class I Utilization

for February 2022 was 82.15%, an increase of 0.02 percentage points from February 2021.

### F.O. 7 - Southeast: February 2022

#### Producer Milk Utilization:

Class I:	77.34%
Class II:	15.12%
Class III:	3.78%
Class IV:	3.76%

#### The Uniform Price

for February 2022 was announced at \$25.47, an increase of \$7.75 from February 2021.

#### Total Producer Milk

for February 2022 totaled 301.3 million pounds, a decrease of 53.8 million pounds from February 2021.

#### Total Class I Milk

for February 2022 was 233.0 million pounds, a decrease of 20.4 million pounds from February 2021.

#### Class I Utilization

for February 2022 was 77.34%, an increase of 5.97 percentage points from February 2021.



## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in February 2022 is \$26.71 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$17.09 per hundredweight plus 3.5 times the uniform butterfat price of \$2.9193 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Receipts of producer milk during February 2022 totaled 205.0 million pounds, 8.9 million pounds more than February 2021. Florida producers supplied 159.3 million pounds of milk in February 2022 or an estimated 78% of the producer milk pooled in Florida. In February 2021, they supplied 89% of producer milk pooled on the Florida market. There were 9 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for February 2022. Total in-area Class I route disposition was 214.1 million pounds in February 2022, 8.3 million pounds more than February 2021.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2022 is \$25.47 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.79 per hundredweight plus 3.5 times the uniform butterfat price of 2.9235 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Receipts of producer milk during February 2022 totaled 301.3 million pounds. There were 18 regulated pool distributing plants, 1 pool supply plant and 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2022. Total in-area Class I route disposition in the area was 296.0 million pounds in February 2022, a decrease of 23.1 million pounds from February 2021

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## WASDE Dairy Report <sup>1/</sup> WASDE – 622, March 9, 2022

The milk production forecast for 2022 is lowered from last month, on lower dairy cow numbers and slower growth in milk per cow. The fat basis import forecast is lowered on lower expected imports of cheese and butterfat products, while exports are reduced on lower shipments of whole milk powder and whey. On a skim-solids basis, the import forecast is raised, primarily as higher imports of milk proteins more than offset weaker cheese imports.

The export forecast is reduced on weaker expected sales of whey products and skim milk powders. Changes in 2021 estimates of supply and use reflect revised production and stock data. Price forecasts for cheese, butter, nonfat dry milk, and whey are raised from the previous month on current prices, lower expected production, and continued demand strength. With higher product prices, both Class III and the Class IV prices are raised. The 2022 all milk price forecast is increased to \$25.05 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

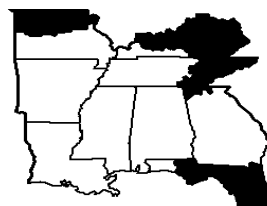
# Federal Milk Marketing Order Statistics

February 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,062.7	639.0	31.0	23.67
5 Appalachian	424.7	303.3	71.4	24.87
6 Florida	205.0	168.4	82.2	26.71
7 Southeast	301.3	233.0	77.3	25.47
30 Upper Midwest	2,389.6	194.9	8.2	21.19
32 Central	1,169.9	345.7	29.6	21.98
33 Mideast	1278.6	504.7	39.5	22.19
51 California	1,725.7	367.6	21.3	21.97
124 Pacific Northwest	670.6	126.4	18.9	22.45
126 Southwest	1,053.0	308.6	29.3	22.40
131 Arizona	411.2	111.2	27.1	23.30
All Orders	11,692.2	3,303.0	28.2	22.53



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# Market Information BULLETIN FO 6 & 7

**\*\*New Format – FO 6 & FO 7 Bulletin Combined\*\***

**Harold H. Friedly, Jr. - Market Administrator**



[www.fmmatlanta.com](http://www.fmmatlanta.com)

April 2022

Volume 23—No. 4

## Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, April 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

Milk production for 2022 is projected to total 226.3 billion pounds, 0.3 billion higher than last month's forecast and about the same as 2021. Although NASS reported that the number of milk cows increased from January to February after an 8-month contraction, it is not clear if dairy herd expansion will continue throughout the year. Recent input prices for feed, fuel, and fertilizer have been high. The corn price forecast has been raised for the 2021/22 marketing season, and the soybean meal price forecast remains higher. While milk cows are forecast to average 9.370 million head for the first half of the year, they are projected to decline to 9.365 million in the second half. The annual average forecast rounds to 9,370 million head, 15,000 higher than last month's forecast. With U.S. prices for most dairy products expected to be very competitive compared to international export prices, dairy export projections for 2022 have been raised. The projection for dairy exports on a milk-fat basis is 11.5 billion pounds, 0.6 billion higher than last month's forecast. On a skim solids basis, the projection for dairy exports is 50.3 billion pounds, an increase of 0.5 billion from last month's projection. Higher exports are expected for cheese, butter, dry skim milk products, and whey products. Imports on a milk-fat basis for 2022 are projected at 6.4 billion pounds, 0.4 billion pounds lower than last month's forecast, due to lower expected imports of butter and cheese.

Based on recent data, the projection for 2022 domestic use on a milk-fat basis is 221.6 billion pounds, 0.6 billion lower than last month's forecast. On a skim-solids basis, domestic use is projected to total 180.8 billion pounds, unchanged from the previous projection.

### 2021 Annual Milk Production up 1.3 percent

The annual production of milk for the United States during 2021 was 226 billion pounds, 1.3 percent above 2020. Revisions to 2020 production increased the annual total 89 million pounds. Revised 2021 production was down 18 million pounds from last month's publication. Annual total milk production has increased 12.8 percent from 2012. Production per cow in the United States averaged 23,948 pounds for 2021, 171 pounds above 2020. The average annual rate of milk production per cow has increased 10.2 percent from 2012. The average number of milk cows on farms in the United States during 2021 was 9.45 million head, up 0.6 percent from 2020. The average number of milk cows was unrevised for 2021. The average annual number of milk cows has increased 2.3 percent from 2012.

### Dairy Outlook cont..

The projection for 2022 ending stocks for 2022 on a milk-fat basis is 12.9 billion pounds, 0.1 billion lower than last month's forecast, as the expected lower imports and higher exports more than offset higher milk production and lower domestic use. On a skim solids basis, the forecast for 2022 ending stocks is 11.0 billion pounds, 0.2 lower than the previous forecast, as higher expected exports more than offset higher milk production. Due to relatively high domestic and international dairy product prices in recent weeks and higher expected exports, price forecasts for most dairy products in 2022 have been raised. With higher projected prices for Cheddar cheese more than offsetting lower projected prices for dry whey, the Class III milk price forecast for 2022 has been raised to \$22.75 per hundredweight (cwt), \$1.10 higher than last month's forecast. With higher forecasts for butter and NDM prices, the Class IV milk price projection has been raised to \$24.05 per cwt, \$0.35 higher than the previous projection. The all-milk price forecast for 2022 has been raised to a record high of \$25.80 per cwt, \$0.75 higher than last month's forecast.

## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price - March 2022

#### Producer Milk

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	84.20%	178,698,213	\$12.89 /cwt.	\$ 23,034,199.65
Class I Butterfat	52.14%	4,199,441	\$2.9838 /lb.	12,530,292.07
Class I Differential at Location		182,897,654		10,218,627.26
Total Class I Milk	<b>83.03%</b>	<b>182,897,654</b>		<b>\$ 45,783,118.98</b>
Class II Skim Milk	13.86%	29,411,411	\$14.41 /cwt.	\$ 4,238,184.31
Class II Butterfat	45.75%	3,685,281	\$3.1005 /lb.	11,426,213.73
Total Class II Milk	<b>15.02%</b>	<b>33,096,692</b>		<b>\$ 15,664,398.04</b>
Class III Skim Milk	1.44%	3,050,557	\$12.04 /cwt.	\$ 367,287.06
Class III Butterfat	1.51%	121,930	\$3.0935 /lb.	377,190.46
Total Class III Milk	<b>1.44%</b>	<b>3,172,487</b>		<b>\$ 744,477.52</b>
Class IV Skim Milk	0.50%	1,070,345	\$14.50 /cwt.	\$ 155,200.03
Class IV Butterfat	0.60%	48,323	\$3.0935 /lb.	149,487.20
Total Class IV Milk	<b>0.51%</b>	<b>1,118,668</b>		<b>\$ 304,687.23</b>
Producer Milk	<b>100.00%</b>	<b>220,285,501</b>		<b>\$ 62,496,681.77</b>

#### Adjustments

Overage and Other Source	\$ 46,872.71
Inventory Adjustments	-\$ 21,914.88
Producer Butterfat at Uniform Butterfat Price	-\$ 24,718,301.78
Location Adjustments	-\$ 355,781.41
1/2 Balance in Producer Settlement Fund	\$ 110,755.42

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 17.69694</b>	<b>\$ 37,558,311.83</b>
Producer Settlement Fund Reserve	<b>\$ 0.04694</b>	\$ 99,623.98

Uniform Skim Milk Price (Hillsborough County, FL): \$17.65 /cwt

Uniform Butterfat Price: \$3.0687 /lb

Uniform Price (Hillsborough County, FL): \$27.77 /cwt

### F.O. 7 - Southeast: Uniform Price - March 2022

#### Producer Milk

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	77.13%	248,562,173	\$12.89 /cwt.	\$ 32,039,664.09
Class I Butterfat	43.33%	5,878,649	\$2.9838 /lb.	17,540,712.90
Class I Differential at Location		254,440,822		8,414,842.35
Total Class I Milk	<b>75.77%</b>	<b>254,440,822</b>		<b>\$ 57,995,219.34</b>
Class II Skim Milk	16.77%	54,042,146	\$14.41 /cwt.	\$ 7,787,473.23
Class II Butterfat	47.59%	6,455,679	\$3.1005 /lb.	20,015,832.74
Total Class II Milk	<b>18.02%</b>	<b>60,497,825</b>		<b>\$ 27,803,305.97</b>
Class III Skim Milk	3.09%	9,950,315	\$12.04 /cwt.	\$ 1,198,017.91
Class III Butterfat	3.21%	434,959	\$3.0935 /lb.	1,345,545.69
Total Class III Milk	<b>3.09%</b>	<b>10,385,274</b>		<b>\$ 2,543,563.60</b>
Class IV Skim Milk	3.01%	9,692,930	\$14.50 /cwt.	\$ 1,405,474.86
Class IV Butterfat	5.87%	796,745	\$3.0935 /lb.	2,464,730.67
Total Class IV Milk	<b>3.12%</b>	<b>10,489,675</b>		<b>\$ 3,870,205.53</b>
Producer Milk	<b>100.00%</b>	<b>335,813,596</b>		<b>\$ 92,212,294.44</b>

#### Adjustments

Overage and Other Source	\$ 0.00
Inventory Adjustments	-\$ 47,235.57
Producer Butterfat at Uniform Butterfat Price	-\$ 41,562,252.24
Location Adjustments	\$ 1,803,333.97
1/2 Balance in Producer Settlement Fund	\$ 183,856.56

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 16.31975</b>	<b>\$ 52,589,997.16</b>
Producer Settlement Fund Reserve	<b>\$ 0.04975</b>	\$ 160,318.49

Uniform Skim Milk Price (Fulton County, GA): \$16.27 /cwt

Uniform Butterfat Price: \$3.0637 /lb

Uniform Price (Fulton County, GA): \$26.42 /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: March 2022

#### Producer Milk Utilization:

Class I:	83.03%
Class II:	15.02%
Class III:	1.44%
Class IV:	0.51%

#### The Uniform Price

for March 2022 was announced at \$27.77, an increase of \$7.66 from March 2021.

#### Total Producer Milk

for March 2022 totaled 220.3 million pounds, an increase of 14.6 million pounds from March 2021.

#### Total Class I Milk

for March 2022 was 182.9 million pounds, an increase of 9.3 million pounds from March 2021.

#### Class I Utilization

for March 2022 was 83.03%, a decrease of 1.35 percentage points from March 2021.

### F.O. 7 - Southeast: March 2022

#### Producer Milk Utilization:

Class I:	75.77%
Class II:	18.02%
Class III:	3.09%
Class IV:	3.12%

#### The Uniform Price

for March 2022 was announced at \$26.42, an increase of \$8.50 from March 2021.

#### Total Producer Milk

for March 2022 totaled 335.8 million pounds, a decrease of 104.1 million pounds from March 2021.

#### Total Class I Milk

for March 2022 was 254.4 million pounds, a decrease of 17.4 million pounds from March 2021.

#### Class I Utilization

for March 2022 was 75.77%, an increase of 13.98 percentage points from March 2021.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in March 2022 is \$27.77 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$17.65 per hundredweight plus 3.5 times the uniform butterfat price of \$3.0687 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Receipts of producer milk during March 2022 totaled 220.3 million pounds, 14.6 million pounds more than March 2021. Florida producers supplied 179.8 million pounds of milk in March 2022 or an estimated 82% of the producer milk pooled in Florida. In March 2021, they supplied 89% of producer milk pooled on the Florida market. There were 9 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for March 2022. Total in-area Class I route disposition was 227.5 million pounds in March 2022, 5.3 million pounds more than March 2021.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2022 is \$26.42 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.27 per hundredweight plus 3.5 times the uniform butterfat price of 3.0637 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Receipts of producer milk during March 2022 totaled 335.8 million pounds. There were 16 regulated pool distributing plants, 1 pool supply plant and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2022. Total in-area Class I route disposition in the area was 319.0 million pounds in March 2022, a decrease of 27.2 million pounds from March 2021

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## WASDE Dairy Report <sup>1/</sup> WASDE – 622, April 8, 2022

The milk production forecast for 2022 is raised on higher dairy cow numbers. The fat basis import forecast is lowered on lower expected imports of cheese and butterfat products, while exports are raised on stronger cheese and butter shipments. On a skim-solids basis, the import forecast is raised as imports of milk proteins are projected to more than offset weaker projected cheese imports. Exports are raised on higher projected shipments for whey and skim milk powder.

Price forecasts for cheese and butter were raised from the previous month on tighter stocks and firm demand. Non-fat dry milk prices were raised fractionally while whey prices were lowered, as U.S. prices are expected to become competitive with international prices. With the higher cheese price more than offsetting a lower whey price, the Class III price is raised. WASDE-623-5 The Class IV price is raised on higher butter and nonfat dry milk. The 2022 all milk price forecast is increased to \$25.80 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

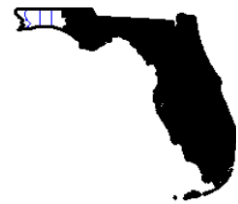
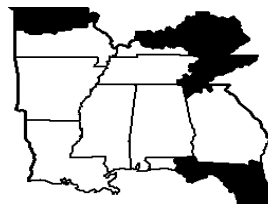
# Federal Milk Marketing Order Statistics

March 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,305.6	673.2	29.2	24.74
5 Appalachian	501.9	343.7	68.5	25.86
6 Florida	220.3	182.9	83.0	27.77
7 Southeast	335.8	254.4	75.8	26.42
30 Upper Midwest	2,759.3	212.7	7.7	22.66
32 Central	1,334.9	380.8	28.5	23.15
33 Mideast	1,434.2	560.5	39.1	23.38
51 California	1,965.8	411.2	20.9	23.32
124 Pacific Northwest	665.9	144.0	21.6	23.49
126 Southwest	1,190.3	341.0	28.7	23.73
131 Arizona	406.9	112.1	27.6	24.66
All Orders	13,120.9	3,616.6	27.6	23.76



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# Market Information BULLETIN

## FO 6 & 7

Harold H. Friedly, Jr. - Market Administrator



www.fmmatlanta.com

May 2022

Volume 23—No. 5

### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, April 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

In 2022, the U.S. milking herd is projected to average 9.400 million head, 30,000 head higher than last month's forecast. Based on recent information, the number of milk cows is expected to trend upward into 2022-Q3 and then stabilize in 2022-Q4. The milk per cow forecast for 2022 is 24,120 pounds, 40 pounds lower last month's forecast due to relative higher feed prices. With the higher anticipated number of milk cows, the milk production forecast for 2022 has been raised to 226.7 billion pounds, 0.4 billion higher than last month's projection. On a milk-fat basis, the annual dairy export forecast for 2022 is 12.0 billion pounds, 0.5 billion higher than last month's forecast as 2022-Q1 exports on a milk-fat basis were higher than expected. On a skim-solids basis, the dairy export projection has been lowered to 49.9 billion pounds, 0.4 billion below the last month's forecast as the actual exports in 2022-Q1 on a skim basis solid were lower than anticipated, particularly for whey products. With strong international demand and relatively competitive domestic prices, exports of cheese, butter, and several other dairy products are anticipated to increase from 2021 totals. The 2022 forecast for dairy imports on a milk-fat basis has been increased to 6.6 billion pounds, 0.2 billion pounds higher than last month's forecast. On a skim-solids basis, the dairy import forecast has been raised to 5.9 billion pounds, 0.1 billion higher than last month's projections. In 2022, imports of cheese, milk protein concentrate, and milk powders are expected to increase from 2021 totals. On a milk-fat basis, domestic use in 2022 has remained steady from last month's forecast of 221.6 million pounds. On a skim-solid basis, 2022 domestic use was raised by 0.9 million due to higher-than-expected domestic use in 2022-Q1. The forecasts for ending stocks remained unchanged from last month's forecast, at 12.9 billion pounds on a milk-fat basis and 11.0 billion pounds on a skim-solids basis.

### Dairy Forecast for 2023

The U.S. milking herd is projected to average 9.400 million head in 2023, unchanged from the 2022 projection. Milk per cow is projected to average 24,420 per head, a year-over-year increase of 1.2 percent. The milk production forecast for 2023 is 229.5 billion pounds, 1.2 percent higher than the 2022 projection. Dairy exports on a milk-fat basis are projected to total 11.5 billion pounds in 2023, 0.5 billion lower than the forecast for 2022. On a skim-solids basis, exports are projected to total 51.0 billion pounds, 1.1 billion higher than the 2022 projection. Dairy imports on a milk-fat basis are projected to total 6.6 billion pounds in 2023, unchanged from the 2022 forecast. On a skim-solids basis, 2023 imports are projected to total 6.0 billion pounds, 0.1 billion higher than 2022. Domestic use for dairy products is expected to increase in 2023. The domestic use forecast on a milk-fat basis is 222.8 billion pounds, 1.2 billion higher than 2022. On a skim-solids basis, the 2023 projection is 182.7 billion pounds, 1.0 billion higher than 2022. On a milk-fat basis, the ending stock forecast for 2023 is 13.6 billion pounds, 0.7 million higher than 2022. On a skim solids basis, the ending stock forecast for 2023 is 11.7 billion pounds, 0.7 million higher than 2022. Higher milk supplies projected in 2023 and relative stable demand are expected to contribute to lower prices for the main dairy products compared to 2022 projections. The Class III milk price forecast for 2023 is \$20.50 per cwt, \$2.25 lower than the projection for 2022. The Class IV milk price projection for 2023 is \$21.40 per cwt, a year-over-year decline of \$2.40. The all-milk price forecast for 2023 is \$23.55 per cwt, \$2.20 lower than the projection for 2022.

### Dairy Outlook 2022 cont.

The Class III milk price forecast for 2022 remains unchanged from last month's forecast, at \$22.75 per hundredweight (cwt). The Class IV milk price forecast has been lowered by \$0.25 to \$23.80 per cwt, as the lower expected NDM price more than offsets the higher expected butter price. The all-milk price forecast for 2022 is \$25.75 per cwt, \$0.05 lower than last month's forecast.

## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price - April 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	85.11%	173,434,692	\$13.98 /cwt.	\$ 24,246,169.94
Class I Butterfat	52.26%	4,039,396	\$3.1098 /lb.	12,561,713.68
Class I Differential at Location		177,474,088		9,907,956.88
Total Class I Milk	<b>83.90%</b>	<b>177,474,088</b>		<b>\$ 46,715,840.50</b>
Class II Skim Milk	12.76%	26,008,612	\$15.21 /cwt.	\$ 3,955,909.88
Class II Butterfat	43.60%	3,370,708	\$3.1531 /lb.	10,628,179.41
Total Class II Milk	<b>13.89%</b>	<b>29,379,320</b>		<b>\$ 14,584,089.29</b>
Class III Skim Milk	1.80%	3,669,201	\$13.90 /cwt.	\$ 510,018.93
Class III Butterfat	2.27%	175,680	\$3.1461 /lb.	552,706.85
Total Class III Milk	<b>1.82%</b>	<b>3,844,881</b>		<b>\$ 1,062,725.78</b>
Class IV Skim Milk	0.33%	674,762	\$14.82 /cwt.	\$ 99,999.72
Class IV Butterfat	1.87%	144,521	\$3.1461 /lb.	454,677.52
Total Class IV Milk	<b>0.39%</b>	<b>819,283</b>		<b>\$ 554,677.24</b>
Producer Milk	<b>100.00%</b>	<b>211,517,572</b>		<b>\$ 62,917,332.81</b>

#### Adjustments

Overage and Other Source	\$ 1,278.70
Inventory Adjustments	\$ 1,666.63
Producer Butterfat at Uniform Butterfat Price	-\$ 24,423,125.62
Location Adjustments	-\$ 339,221.73
1/2 Balance in Producer Settlement Fund	\$ 101,911.78

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 18.77440</b>	<b>\$ 38,259,842.57</b>
Producer Settlement Fund Reserve	<b>\$ 0.04440</b>	\$ 90,487.46

Uniform Skim Milk Price (Hillsborough County, FL):	<b>\$18.73</b> /cwt
Uniform Butterfat Price:	<b>\$3.1594</b> /lb
Uniform Price (Hillsborough County, FL):	<b>\$29.13</b> /cwt

### F.O. 7 - Southeast: Uniform Price - April 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	64.18%	237,165,552	\$13.98 /cwt.	\$ 33,155,744.18
Class I Butterfat	36.26%	5,473,103	\$3.1098 /lb.	17,020,255.71
Class I Differential at Location		242,638,655		7,997,999.50
Total Class I Milk	<b>63.09%</b>	<b>242,638,655</b>		<b>\$ 58,173,999.39</b>
Class II Skim Milk	25.26%	93,351,528	\$15.21 /cwt.	\$ 14,198,767.40
Class II Butterfat	51.03%	7,700,434	\$3.1531 /lb.	24,280,238.49
Total Class II Milk	<b>26.27%</b>	<b>101,051,962</b>		<b>\$ 38,479,005.89</b>
Class III Skim Milk	4.63%	17,091,409	\$13.90 /cwt.	\$ 2,375,705.88
Class III Butterfat	2.99%	451,024	\$3.1461 /lb.	1,418,966.62
Total Class III Milk	<b>4.56%</b>	<b>17,542,433</b>		<b>\$ 3,794,672.50</b>
Class IV Skim Milk	5.93%	21,925,292	\$14.82 /cwt.	\$ 3,249,328.26
Class IV Butterfat	9.72%	1,466,223	\$3.1461 /lb.	4,612,884.17
Total Class IV Milk	<b>6.08%</b>	<b>23,391,515</b>		<b>\$ 7,862,212.43</b>
Producer Milk	<b>100.00%</b>	<b>384,624,565</b>		<b>\$ 108,309,890.21</b>

#### Adjustments

Overage and Other Source	\$ 0.00
Inventory Adjustments	\$ 15,187.93
Producer Butterfat at Uniform Butterfat Price	-\$ 47,513,333.42
Location Adjustments	\$ 1,690,957.11
1/2 Balance in Producer Settlement Fund	\$ 174,322.79

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 16.96111</b>	<b>\$ 62,677,024.62</b>
Producer Settlement Fund Reserve	<b>\$ 0.04111</b>	\$ 151,908.87

Uniform Skim Milk Price (Fulton County, GA):	<b>\$16.92</b> /cwt
Uniform Butterfat Price:	<b>\$3.1485</b> /lb
Uniform Price (Fulton County, GA):	<b>\$27.35</b> /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: April 2022

#### Producer Milk Utilization:

Class I:	83.90%
Class II:	13.89%
Class III:	1.82%
Class IV:	0.39%

#### The Uniform Price

for April 2022 was announced at \$29.13, an increase of \$8.92 from April 2021.

#### Total Producer Milk

for April 2022 totaled 211.5 million pounds, an increase of 551,219 pounds from April 2021.

#### Total Class I Milk

for April 2022 was 177.5 million pounds, an increase of 6.7 million pounds from April 2021.

#### Class I Utilization

for April 2022 was 83.90%, an Increase of 2.93 percentage points from April 2021.

### F.O. 7 - Southeast: April 2022

#### Producer Milk Utilization:

Class I:	63.09%
Class II:	26.27%
Class III:	4.56%
Class IV:	6.08%

#### The Uniform Price

for April 2022 was announced at \$27.35, an increase of \$8.89 from April 2021.

#### Total Producer Milk

for April 2022 totaled 384.6 million pounds, an decrease of 36 million pounds from April 2021.

#### Total Class I Milk

for April 2022 was 243 million pounds, an decrease of 23 million pounds from April 2021.

#### Class I Utilization

for April 2022 was 63.09%, a decrease of 0.05 percentage points from April 2021.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in April 2022 is \$29.13 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$18.73 per hundredweight plus 3.5 times the uniform butterfat price of \$3.1594 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Receipts of producer milk during April 2022 totaled 211.5 million pounds, 501,219 pounds more than April 2021. Florida producers supplied 171 million pounds of milk in April 2022 or an estimated 81% of the producer milk pooled in Florida. In April 2021, they supplied 89% of producer milk pooled on the Florida market. There were 9 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for April 2022. Total in-area Class I route disposition was 227 million pounds in April 2022, 16 million pounds more than April 2021.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2022 is \$27.35 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.92 per hundredweight plus 3.5 times the uniform butterfat price of 3.1485 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during April 2022 totaled 385 million pounds. There were 17 regulated pool distributing plants, 1 pool supply plant and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2022. Total in-area Class I route disposition was 309.0 million pounds in April 2022, a decrease of 16.9 million pounds from April 2021.

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## WASDE Dairy Report <sup>1/</sup> WASDE – 624, May 12, 2022

Milk production for 2023 is forecast above 2022 driven by gains in milk per cow, with the milk cow herd expected to average close to 2022 levels. Exports on a fat basis are forecast lower, largely on lower expected butter sales. On a skim-solids basis, exports are forecast higher with gains expected in cheese, skim milk powder, and whey sales. Imports are projected to grow on a skim-solids basis with higher imports of several dairy products but are unchanged on a fat basis. The Class III price is forecast lower on weaker cheese and whey prices. The Class IV price is forecast lower as well, with projections lower than 2022 for butter and non-fat dry milk. The 2023 all milk price is forecast at \$23.55 per cwt.

The 2022 milk production forecast is raised from the previous month, with higher milk cow inventories more than offsetting slower growth in milk per cow. Fat-basis exports are raised from the previous month mainly on stronger butter and cheese shipments. The skim-solids basis export forecast is lowered on weaker skim milk powder and whey exports. Fat basis and skim-solids basis import forecasts are raised from last month on higher expected imports of several dairies containing products. Cheese and butter prices are raised from the previous month on strong demand, but non-fat dry milk and whey prices are lowered. The Class III price is unchanged, and Class IV is lowered. The 2022 all milk price is forecast at \$25.75.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

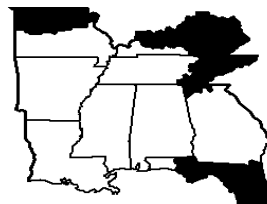
# Federal Milk Marketing Order Statistics

April 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,281.0	670.9	29.4	26.07
5 Appalachian	459.0	313.8	68.4	27.17
6 Florida	211.5	177.5	83.9	29.13
7 Southeast	384.6	242.6	63.1	27.35
30 Upper Midwest	2,349.6	201.5	8.6	24.55
32 Central	1,302.2	361.0	27.7	24.65
33 Mideast	1,548.8	531.4	34.3	24.91
51 California	2,026.6	393.8	19.4	25.08
124 Pacific Northwest	632.1	133.1	21.1	24.79
126 Southwest	1,189.9	327.4	27.5	25.43
131 Arizona	445.2	112.8	25.4	25.52
All Orders	12,830.5	3,465.8	27.0	25.34



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# Market Information BULLETIN

## FO 6 & 7

Harold H. Friedly, Jr. - Market Administrator



www.fmmatlanta.com

June 2022

Volume 23—No. 6

### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, June 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

Based on recent information, the milk cow number forecast for the second quarter of the year (2022-Q2) was adjusted to 9.405 million head, up by 5,000 but unchanged for the rest of the year. The average number of milk cows projected for 2022 rounds to 9.400 million head, unchanged from last month's forecast. Due to expected higher temperatures and dry conditions negatively affecting cow comfort, grain crops, and forage supplies and quality, projected yield per cow is lowered for the 2022-Q2 and Q3, but unchanged for Q4. Hence, the annual milk per cow projection for 2022 is 24,090 pounds per cow, 30 pounds less than last month's forecast. The milk production forecast for 2022 is 226.4 billion pounds, a decrease of 0.3 billion pounds from the previous month's forecast.

The forecast for 2022 exports on a milk-fat basis is 12.0 billion pounds, unchanged from last month's projection. On a skim-solids basis, exports are projected at 50.1 billion pounds, 0.2 billion higher than the forecast from last month due to stronger expected exports of whey products and lactose.

Import projections for 2022 are raised from the previous month due to stronger expected demand for cheese, butterfat products, and other dairy products. The 2022 import forecast is adjusted to 7.0 billion pounds (+0.4 billion) on a milk-fat basis and 6.1 billion pounds (+0.2 billion) on a skim-solids basis. With firm demand for fat-basis products supporting stronger imports and drawing from stocks, the 2022 domestic use forecast is adjusted higher. On a milk-fat basis, it is 221.8 billion pounds, 0.2 billion higher than last month's forecast. However, on a skim-solids basis, the forecast for domestic use is 181.4 billion pounds, 0.3 billion lower than last month's forecast.

Based on expectations of relatively strong demand for dairy products, weak milk-supply growth, and the recent upward price trend, the 2022 cheese price forecast has been raised to \$2.195 per pound, 2.0 cents higher than last month's forecast. The 2022 price for dry whey is forecast at \$0.640 (-1.5 cents) per pound. With higher expected cheese prices more than offsetting weaker dry whey prices, the Class III price forecast for 2022 has been adjusted to \$22.90 per cwt, 15 cents higher than last month's forecast. Higher anticipated butter and NDM prices translate to a Class IV projected price of \$24.65 per cwt, 85 cents higher than last month's projection.

### Dairy Forecast for 2023

The number of cows is projected to average 9.400 million head in 2023, even with 2022 and unchanged from last month's projection. With slower growth in milk per cow than previously expected, the 2023 milk per cow projection is 24,400 pounds, 20 pounds below last month's projection but 310 pounds higher than the 2022 forecast. Consequently, milk production in 2023 is projected at 229.3 billion pounds, 0.2 billion pounds below last month's forecast.

On a milk-fat basis, the export forecast for 2023 is 11.6 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the export forecast for 2023 is 50.9 billion pounds, 0.1 billion lower than the forecast of the previous month. Expectations are higher for cheese exports but lower for exports of dry skim-milk products.

For 2023, dairy imports remain unchanged on a skim-solids basis at 6.0 billion pounds. On a milk-fat basis, strong demand for butterfat products is carried forward from 2022 forecasts, and fat-basis imports are forecast at 6.9 billion pounds, 0.3 above the last projection.

The domestic use for 2023 is forecast at 222.7 billion pounds on a milk-fat basis, a decrease of 0.1 billion from the previous forecast. On a skim-solids basis, the projection is 182.5 billion pounds, 0.2 billion lower than last month.

Demand for dairy products is expected to remain strong in 2023, supporting higher prices. Price forecasts for 2023 for Cheddar cheese, butter, and NDM, are raised from last month to \$2.050 (+1.0 cent), \$2.385 (+3.5 cents) and \$1.620 (+4.0 cents) per pound, respectively. The 2023 price forecast for dry whey remains unchanged from the previous month's projection of \$0.520 per pound.

The Class III milk price forecast for 2023 is \$20.65 per cwt, 15 cents higher than the previous month's forecast due to higher expected cheese prices and steady dry whey prices. With higher butter and NDM prices, the Class IV milk price projection for 2023 is \$21.90 per cwt, 50 cents higher than last month's forecast. The all-milk price forecast for 2023 is \$23.80 per cwt, an increase of 25 cents from last month's forecast, but \$2.40 lower than the 2022 forecast.

### Dairy Outlook 2022 cont.

The all-milk price forecast for 2022 is \$26.20 per cwt, 45 cents above the May forecast and \$7.67 higher than the 2021 price.

## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price - May 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	79.59%	159,554,369	\$14.99 /cwt.	\$ 23,917,199.92
Class I Butterfat	50.78%	3,833,578	\$3.1373 /lb.	12,027,084.25
Class I Differential at Location		163,387,947		9,107,919.31
<b>Total Class I Milk</b>	<b>78.54%</b>	<b>163,387,947</b>		<b>\$ 45,052,203.48</b>
Class II Skim Milk	16.28%	32,645,926	\$15.52 /cwt.	\$ 5,066,647.70
Class II Butterfat	43.99%	3,321,610	\$3.1126 /lb.	10,338,843.28
<b>Total Class II Milk</b>	<b>17.29%</b>	<b>35,967,536</b>		<b>\$ 15,405,490.98</b>
Class III Skim Milk	0.60%	1,204,863	\$14.86 /cwt.	\$ 179,042.63
Class III Butterfat	0.42%	31,497	\$3.1056 /lb.	97,817.08
<b>Total Class III Milk</b>	<b>0.59%</b>	<b>1,236,360</b>		<b>\$ 276,859.71</b>
Class IV Skim Milk	3.53%	7,074,845	\$14.63 /cwt.	\$ 1,035,049.83
Class IV Butterfat	4.81%	363,520	\$3.1056 /lb.	1,128,947.71
<b>Total Class IV Milk</b>	<b>3.58%</b>	<b>7,438,365</b>		<b>\$ 2,163,997.54</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>208,030,208</b>		<b>\$ 62,898,551.71</b>

#### Adjustments

Overage and Other Source	\$ 39,488.12
Inventory Adjustments	\$ 2,693.38
Producer Butterfat at Uniform Butterfat Price	-\$ 23,806,551.39
Location Adjustments	-\$ 239,338.89
1/2 Balance in Producer Settlement Fund	\$ 96,199.62

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 19.44884</b>	<b>\$ 38,991,042.55</b>
Producer Settlement Fund Reserve	<b>\$ 0.04884</b>	\$ 97,921.97

Uniform Skim Milk Price (Hillsborough County, FL):	<b>\$19.40</b> /cwt
Uniform Butterfat Price:	<b>\$3.1531</b> /lb
Uniform Price (Hillsborough County, FL):	<b>\$29.76</b> /cwt

### F.O. 7 - Southeast: Uniform Price - May 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	64.10%	224,943,147	\$14.99 /cwt.	\$ 33,718,977.74
Class I Butterfat	38.13%	5,406,772	\$3.1373 /lb.	16,962,665.80
Class I Differential at Location		230,349,919		7,627,295.41
<b>Total Class I Milk</b>	<b>63.09%</b>	<b>230,349,919</b>		<b>\$ 58,308,938.95</b>
Class II Skim Milk	22.21%	77,950,372	\$15.52 /cwt.	\$ 12,097,897.74
Class II Butterfat	46.76%	6,632,188	\$3.1126 /lb.	20,643,348.33
<b>Total Class II Milk</b>	<b>23.17%</b>	<b>84,582,560</b>		<b>\$ 32,741,246.07</b>
Class III Skim Milk	6.79%	23,818,955	\$14.86 /cwt.	\$ 3,539,496.72
Class III Butterfat	4.39%	623,197	\$3.1056 /lb.	1,935,400.62
<b>Total Class III Milk</b>	<b>6.69%</b>	<b>24,442,152</b>		<b>\$ 5,474,897.34</b>
Class IV Skim Milk	6.90%	24,212,174	\$14.63 /cwt.	\$ 3,542,241.06
Class IV Butterfat	10.72%	1,520,625	\$3.1056 /lb.	4,722,452.98
<b>Total Class IV Milk</b>	<b>7.05%</b>	<b>25,732,799</b>		<b>\$ 8,264,694.04</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>365,107,430</b>		<b>\$ 104,789,776.40</b>

#### Adjustments

Overage and Other Source	\$ 536.63
Inventory Adjustments	-\$ 3,473.87
Producer Butterfat at Uniform Butterfat Price	-\$ 44,443,165.68
Location Adjustments	\$ 1,838,997.76
1/2 Balance in Producer Settlement Fund	\$ 160,015.73

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 17.76526</b>	<b>\$ 62,342,686.97</b>
Producer Settlement Fund Reserve	<b>\$ 0.04526</b>	\$ 158,839.34

Uniform Skim Milk Price (Fulton County, GA):	<b>\$17.72</b> /cwt
Uniform Butterfat Price:	<b>\$3.1336</b> /lb
Uniform Price (Fulton County, GA):	<b>\$28.07</b> /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: May 2022

#### Producer Milk Utilization:

Class I:	78.54%
Class II:	17.29%
Class III:	0.59%
Class IV:	3.58%

#### The Uniform Price

for May 2022 was announced at \$29.76, an increase of \$8.50 from May 2021.

#### Total Producer Milk

for May 2022 totaled 208 million pounds, an increase of 2 million pounds from May 2021.

#### Total Class I Milk

for May 2022 was 163.4 million pounds, an increase of 486 thousand pounds from May 2021.

#### Class I Utilization

for May 2022 was 78.54%, a decrease of 0.56 percentage points from May 2021.

### F.O. 7 - Southeast: May 2022

#### Producer Milk Utilization:

Class I:	63.09%
Class II:	23.17%
Class III:	6.69%
Class IV:	7.05%

#### The Uniform Price

for May 2022 was announced at \$28.07, an increase of \$8.55 from May 2021.

#### Total Producer Milk

for May 2022 totaled 365.1 million pounds, an decrease of 20 million pounds from May 2021.

#### Total Class I Milk

for May 2022 was 230.3 million pounds, an decrease of 15.4 million pounds from May 2021.

#### Class I Utilization

for May 2022 was 63.09%, a decrease of 0.71 percentage points from May 2021.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in May 2022 is \$29.76 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$19.40 per hundredweight plus 3.5 times the uniform butterfat price of \$3.1531 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Receipts of producer milk during May 2022 totaled 208.0 million pounds. Florida producers supplied 176 million pounds of milk in May 2022 or an estimated 85% of the producer milk pooled in Florida. In May 2021, they supplied 87% of producer milk pooled on the Florida market. There were 9 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for May 2022. Total in-area Class I route disposition was 213.2 million pounds in May 2022, 8.3 million pounds more than May 2021.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2022 is \$28.07 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$17.72 per hundredweight plus 3.5 times the uniform butterfat price of \$3.1336 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during May 2022 totaled 365 million pounds. There were 16 regulated pool distributing plants, 1 pool supply plant and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2022. Total in-area Class I route disposition was 295.1 million pounds in May 2022, a decrease of 18.0 million pounds from May 2021.

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## WASDE Dairy Report 1/ WASDE – 625, June 10, 2022

Milk production for 2022 is forecast lower than last month on slower growth in milk-per-cow than previously expected. Milk per cow is also reduced slightly for 2023, resulting in lower forecast milk production. For 2022, commercial exports on a fat basis are unchanged from last month, but skim-solids exports are raised on stronger exports of whey and lactose. For 2023, exports are raised on a fat basis due to stronger expected cheese exports but reduced on a skim-solids basis due to weaker expected sales of skim milk powder. Imports for 2022 are raised on stronger expected demand for cheese, butterfat products, and several other dairy products; strength in butterfat product imports is expected to carry into next year and the 2023 forecast is increased. Skim-solids imports are raised for 2022 but are unchanged for 2023.

Price forecasts for cheese, butter, and nonfat dry milk (NDM) are raised from the previous month on recent price strength and stronger anticipated demand. The whey price forecast is lowered on observed prices. With mostly stronger product prices, both Class III and Class IV prices are raised. The all-milk price forecast is raised to \$26.20 per cwt for 2022. Continued strengthening in demand, coupled with modest growth in production, is expected to support cheese, butter, and NDM prices in 2023. Thus, prices for those products are raised but whey prices are expected to remain under pressure and the forecast for 2023 is lowered. Nonetheless, the higher price for cheese more than offsets a weaker forecast whey price and the Class III price is forecast higher. Higher forecast butter and NDM prices result in a higher-Class IV price. The 2023 all milk price is forecast higher at \$23.80 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

# Federal Milk Marketing Order Statistics

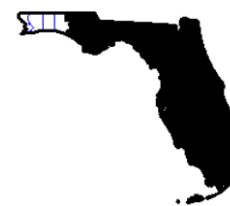
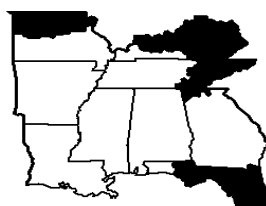
May 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,362.2	678.0	28.7	26.58
5 Appalachian	469.2	307.7	65.6	27.79
6 Florida	208.0	163.4	78.5	29.76
7 Southeast	365.1	230.3	63.1	28.07
30 Upper Midwest	2,075.0	197.7	9.5	25.34
32 Central	1,403.5	360.1	25.7	25.22
33 Mideast	1,725.2	519.1	30.1	25.59
51 California	1,788.9	402.2	22.5	25.43
124 Pacific Northwest	591.3	137.8	23.3	25.12
126 Southwest	1,212.5	314.9	26.0	25.85
131 Arizona	445.2	104.3	23.4	25.83
All Orders	12,646.1	3,415.7	27.0	25.90



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# Market Information BULLETIN

## FO 6 & 7

Harold H. Friedly, Jr. - Market Administrator



www.fmmatlanta.com

July 2022

Volume 23—No. 7

### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, July 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

Based on recent data, the projection for milk cows for 2022 is 9.400 million head, unchanged from the previous month. The projected annual yield per cow for 2022 has been lowered to 24,040 pounds, 50 pounds less than the previous month's estimate due to higher feeding costs. The milk production forecast for 2022 has been lowered to 226.0 billion pounds, 0.4 billion lower than last month. Due to strong exports in May 2022, dairy export forecasts are projected upward in 2022. On a milk-fat basis, exports are 12.2 billion pounds, 0.2 billion pounds higher from last month's projection. On a skim-solids basis, exports are forecast at 50.5 billion pounds, 0.4 billion higher than forecast last month. With competitive prices on international markets, higher exports of NDM, dry whey products, cheese, butter, and lactose are expected throughout 2022. The 2022 import forecast on a milk-fat basis is 7.1 billion pounds, 0.1 billion higher than last month's forecast due to higher anticipated imports of butterfat products. On a skim-solids basis, the projection for imports is 6.1 billion pounds, unchanged from last month's projections. The 2022 domestic forecast is adjusted down due to lower-than-anticipated domestic use in May; lower domestic use is expected the second, third and fourth quarters of the year. On a milk-fat basis, the 2022 domestic use projection is 221.2 billion pounds, 0.6 billion lower than last month's forecast. On a skim-solids basis, the 2022 domestic use forecast is 180.5 billion pounds, 0.9 billion lower than last month's forecast. The 2022 price forecast for cheese is \$2.185 per pounds (-1.0 cent), with high stock levels contributing to the lower forecast. The price forecast for butter is \$2.780 (+1.5 cents) per pound, as demand remains strong. However, 2022 price forecasts for NDM and dry whey are unchanged from last month's forecasts, at \$1.755 and \$0.640 per pound, respectively. higher than last month's projection due to higher butter prices. The Class III price forecast for 2022 has been adjusted to \$22.80 per hundredweight (cwt), 10 cents lower than last month's forecast due to lower cheese prices

### Dairy Forecast for 2023

Following the 2022 forecast, milk cow numbers projected for 2023 are expected to remain steady at 9.400 million head. The forecast for milk per cow is 24,290 pounds, 110 pounds lower than last month's forecast but 250 pounds higher than 2022 forecast. The projection for 2023 milk production has been lowered to 228.3 billion pounds, 1.0 billion lower than last month's forecast but 2.3 billion pounds above the 2022 forecast. On a milk-fat basis, the export forecast for 2023 is 11.6 billion pounds, unchanged from last month's forecast. In 2023, dairy exports are projected to total 51.0 billion pounds on a skim solids basis, 0.1 billion higher than the previous month's forecast, as strong skim exports of dry skim milk products are expected in 2023. The dairy import forecasts are unchanged from last month's projection, at 6.9 billion pounds on a milk-fat basis and 6.0 billion pounds on a skim solids basis. Due to higher projected domestic prices and a lower expected farm milk supply, the 2023 forecast for domestic use is adjusted down. On a milk-fat basis, the annual domestic use forecast for 2023 is 221.8 billion pounds, 0.9 billion lower than the previous forecast. On a skim solids basis, the forecast for domestic use is 181.4 billion pounds, 1.1 billion lower than last month's forecast. Due to recent price strength trends and lower expected milk production, 2023 wholesale price forecasts for Cheddar cheese, butter, and NDM have been adjusted upward from last month's projections to \$2.070 (+2.0 cents), \$2.440 (+5.5 cents), and \$1.640 (+2.0 cents) per pounds, respectively. However, the 2023 price forecasts of dry whey are slightly down at \$0.510 (-0.5 cent) per pound, due to recent weakness in international whey prices. Due to the higher cheese price projection, the Class III milk price forecast for 2023 is \$20.85 per cwt, \$0.35 higher than the previous month's forecast. With higher butter and NDM price forecasts, the Class IV milk price projection for 2023 is \$22.30 per cwt, \$0.40 higher than last month's forecast. The all-milk price forecast for 2023 is \$24.15 per cwt, an increase of \$0.35 from last month's forecast.

### Dairy Outlook 2022 cont.

The 2022 Class IV price was adjusted to \$24.70 per cwt, 5 cents lower than the June forecast.



## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price - June 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	82.08%	148,174,065	\$15.66 /cwt.	\$ 23,204,058.58
Class I Butterfat	55.80%	3,761,340	\$3.0728 /lb.	11,557,845.55
Class I Differential at Location		151,935,405		8,443,795.71
<b>Total Class I Milk</b>	<b>81.14%</b>	<b>151,935,405</b>		<b>\$ 43,205,699.84</b>
Class II Skim Milk	15.51%	27,986,800	\$15.50 /cwt.	\$ 4,337,954.03
Class II Butterfat	40.61%	2,737,922	\$3.3393 /lb.	9,142,742.95
<b>Total Class II Milk</b>	<b>16.41%</b>	<b>30,724,722</b>		<b>\$ 13,480,696.98</b>
Class III Skim Milk	1.72%	3,095,593	\$13.13 /cwt.	\$ 406,451.35
Class III Butterfat	2.32%	156,723	\$3.3323 /lb.	522,248.06
<b>Total Class III Milk</b>	<b>1.74%</b>	<b>3,252,316</b>		<b>\$ 928,699.41</b>
Class IV Skim Milk	0.69%	1,239,156	\$14.68 /cwt.	\$ 181,908.10
Class IV Butterfat	1.27%	85,805	\$3.3323 /lb.	285,928.00
<b>Total Class IV Milk</b>	<b>0.71%</b>	<b>1,324,961</b>		<b>\$ 467,836.10</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>187,237,404</b>		<b>\$ 58,082,932.33</b>

#### Adjustments

Overage and Other Source	\$ 6,070.85
Inventory Adjustments	-\$ 5,944.46
Producer Butterfat at Uniform Butterfat Price	-\$ 21,718,002.31
Location Adjustments	-\$ 225,455.15
1/2 Balance in Producer Settlement Fund	\$ 97,060.79

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 20.07620</b>	<b>\$ 36,236,662.05</b>
Producer Settlement Fund Reserve	<b>\$ 0.04620</b>	\$ 83,390.56

<b>Uniform Skim Milk Price (Hillsborough County, FL):</b>	<b>\$20.03</b> /cwt
<b>Uniform Butterfat Price:</b>	<b>\$3.2214</b> /lb
<b>Uniform Price (Hillsborough County, FL):</b>	<b>\$30.60</b> /cwt

### F.O. 7 - Southeast: Uniform Price - June 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	63.07%	211,324,604	\$15.66 /cwt.	\$ 33,093,433.01
Class I Butterfat	41.13%	5,432,905	\$3.0728 /lb.	16,694,230.49
Class I Differential at Location		216,757,509		7,191,063.10
<b>Total Class I Milk</b>	<b>62.24%</b>	<b>216,757,509</b>		<b>\$ 56,978,726.60</b>
Class II Skim Milk	25.95%	86,924,165	\$15.50 /cwt.	\$ 13,473,245.65
Class II Butterfat	47.34%	6,252,572	\$3.3393 /lb.	20,879,213.68
<b>Total Class II Milk</b>	<b>26.76%</b>	<b>93,176,737</b>		<b>\$ 34,352,459.33</b>
Class III Skim Milk	5.33%	17,856,155	\$13.13 /cwt.	\$ 2,344,513.14
Class III Butterfat	4.61%	609,178	\$3.3323 /lb.	2,029,963.85
<b>Total Class III Milk</b>	<b>5.30%</b>	<b>18,465,333</b>		<b>\$ 4,374,476.99</b>
Class IV Skim Milk	5.65%	18,922,191	\$14.68 /cwt.	\$ 2,777,777.64
Class IV Butterfat	6.92%	913,891	\$3.3323 /lb.	3,045,358.98
<b>Total Class IV Milk</b>	<b>5.70%</b>	<b>19,836,082</b>		<b>\$ 5,823,136.62</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>348,235,661</b>		<b>\$ 101,528,799.54</b>

#### Adjustments

Overage and Other Source	\$ 5,410.97
Inventory Adjustments	\$ 68,647.91
Producer Butterfat at Uniform Butterfat Price	-\$ 42,828,710.41
Location Adjustments	\$ 1,602,221.12
1/2 Balance in Producer Settlement Fund	\$ 159,901.86

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 18.06907</b>	<b>\$ 60,536,271.00</b>
Producer Settlement Fund Reserve	<b>\$ 0.04907</b>	\$ 164,384.87

<b>Uniform Skim Milk Price (Fulton County, GA):</b>	<b>\$18.02</b> /cwt
<b>Uniform Butterfat Price:</b>	<b>\$3.2425</b> /lb
<b>Uniform Price (Fulton County, GA):</b>	<b>\$28.74</b> /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: June 2022

#### Producer Milk Utilization:

Class I:	81.14%
Class II:	16.41%
Class III:	1.74%
Class IV:	0.71%

#### The Uniform Price

for June 2022 was announced at \$30.60, an increase of \$8.20 from June 2021.

#### Total Producer Milk

for June 2022 totaled 187.2 million pounds, an increase of 1.7 million pounds from June 2021.

#### Total Class I Milk

for June 2022 was 151.9 million pounds, an increase of 2.5 million pounds from June 2021.

#### Class I Utilization

for June 2022 was 81.14%, an increase of 0.58 percentage points from June 2021.

### F.O. 7 - Southeast: June 2022

#### Producer Milk Utilization:

Class I:	62.24%
Class II:	26.76%
Class III:	5.30%
Class IV:	5.70%

#### The Uniform Price

for June 2022 was announced at \$28.74, an increase of \$8.35 from June 2021.

#### Total Producer Milk

for June 2022 totaled 348.2 million pounds, an decrease of 15.5 million pounds from June 2021.

#### Total Class I Milk

for June 2022 was 216.8 million pounds, an decrease of 17.8 million pounds from June 2021.

#### Class I Utilization

for June 2022 was 62.24%, a decrease of 2.26 percentage points from June 2021.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in June 2022 is \$30.60 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$20.03 per hundredweight plus 3.5 times the uniform butterfat price of \$3.2214 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Receipts of producer milk during June 2022 totaled 187.2 million pounds. Florida producers supplied 159.3 million pounds of milk in June 2022 or an estimated 85% of the producer milk pooled in Florida. In June 2021, they supplied 87% of producer milk pooled on the Florida market. There were 8 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for June 2022. Total in-area Class I route disposition was 198.1 million pounds in June 2022, 0.74 million pounds more than June 2021.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2022 is \$28.74 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.02 per hundredweight plus 3.5 times the uniform butterfat price of \$3.2425 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during June 2022 totaled 348.2 million pounds. There were 16 regulated pool distributing plants, 1 pool supply plant and 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2022. Total in-area Class I route disposition was 271.2 million pounds in June 2022, a decrease of 14.2 million pounds from June 2021.

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## WASDE Dairy Report 1/ WASDE – 625, June 10, 2022

Milk production forecasts for 2022 and 2023 are lowered from last month due to slower expected growth in milk per cow. USDA's Cattle report, to be released July 22, will provide a mid-year estimate of the dairy cow inventory and producer intentions regarding retention of heifers for dairy cow replacement.

Exports on both a skim-solids and a fat basis are also raised for 2022, reflecting stronger expected exports of butter, cheese, whey, skim milk powder, and lactose. The forecast for 2023 fat-basis exports is unchanged from last month but is raised on a skim solids-basis with expectations of higher skim milk powder exports carrying into 2023.

The 2022 butter price forecast is raised from last month on firm demand, and the cheese price forecast is lowered on continued large stocks. The forecasts for nonfat dry milk (NDM) and whey prices are unchanged. With a lower cheese price, the Class III price is lowered while the Class IV price is raised due to higher butter prices. The all-milk price for 2022 is lowered to \$26.15 per cwt. For 2023, forecasts for cheese, butter, and NDM are raised on expected lower production, but the price forecast for whey is lowered on expected weaker international prices. With higher cheese, butter prices, and NDM prices, the Class III and Class IV price forecasts are raised. The 2023 all milk price forecast is raised to \$24.15 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

# Federal Milk Marketing Order Statistics

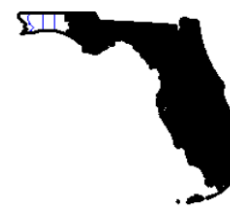
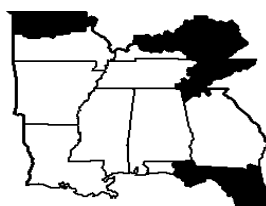
June 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,244.4	618.0	27.5	26.98
5 Appalachian	432.9	287.6	66.4	28.52
6 Florida	187.2	151.9	81.1	30.60
7 Southeast	348.2	216.8	62.2	28.74
30 Upper Midwest	2,487.6	163.8	6.6	24.63
32 Central	1,290.6	338.0	26.2	25.37
33 Mideast	1,319.5	459.9	34.9	25.78
51 California	1,654.6	374.3	22.6	25.59
124 Pacific Northwest	627.2	128.7	20.5	25.39
126 Southwest	1,091.8	292.7	26.8	26.04
131 Arizona	419.0	103.5	24.7	26.22
All Orders	12,103.1	3,135.0	25.9	25.97



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# Market Information BULLETIN

## FO 6 & 7

Harold H. Friedly, Jr. - Market Administrator



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August 2022

Volume 23—No. 8

### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, August 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

The U.S. milk production forecast for 2022 is 226.8 billion pounds, 0.8 billion higher than last month's forecast. Higher milk cow numbers and yield per cow were forecast for 2022-Q3 and 2022-Q4, based on July 1 dairy cow inventory estimates provided in the recent Cattle report. The 2022 annual projection for the cow inventory is 9.420 million head, 20,000 head above the previous projection. The 2022 annual forecast for milk per cow was increased by 30 pounds to 24,070 pounds. Based on recent trade data showing strong exports in June and all of 2022-Q2, dairy export forecasts are projected upward as growth in available supplies are expected for the rest of 2022. On a milk-fat basis, exports are projected at 12.9 billion pounds, 0.7 billion pounds higher than last month's projection. On a skim-solids basis, exports are forecast at 51.3 billion pounds, 0.8 billion higher than last month's forecast. With competitive prices on international markets, higher exports of NDM, dry whey products, cheese, butter, and lactose are expected throughout 2022. The 2022 import forecast on a milk-fat basis is 7.0 billion pounds, 0.1 billion lower than last month's forecast due to lower anticipated imports of butterfat products. On a skim-solids basis, the projection for imports is 6.1 billion pounds, unchanged from last month's projections. Due to lower-than-anticipated domestic use in 2022-Q2, the 2022 domestic forecast is adjusted down from the last projection despite a slight year-over year increase in expected second-half domestic use. On a milk-fat basis, the 2022 domestic use projection is 221.1 billion pounds, 0.1 billion lower than last month's forecast. On a skim-solids basis, the 2022 domestic use forecast is 180.0 billion pounds, 0.5 billion lower than last month's forecast. Based on relatively low wholesale domestic prices for most dairy products in recent weeks, recent downward trends in international prices, and higher forecast milk production, wholesale price forecasts for dairy products, excluding butter, have been lowered for 2022. Class III milk price forecast for 2022 is \$21.60 per hundredweight (cwt), \$1.20 lower than the previous month's forecast. The Class IV milk price projection is \$23.95 per cwt, \$0.75 lower than last month's forecast.

### Dairy Forecast for 2023

Following through on the 2022 upward forecast, the 2023 milk cow inventory is raised by 35,000 head to 9.435 million head. The forecast for milk per cow is 24,300 pounds, 10 pounds higher than last month's forecast. The projection for 2023 milk production has been raised to 229.2 billion pounds, 0.9 billion higher than last month's forecast and 2.4 billion pounds above the 2022 forecast. Dairy exports are projected higher for 2023 on greater expected supplies, although increased competition with other suppliers may limit increases. On a milk-fat basis, the export forecast for 2023 is 11.7 billion pounds, 0.1 billion above last month's forecast. In 2023, dairy exports are projected to total 51.2 billion pounds on a skim-solids basis, 0.2 billion higher than the previous month's forecast, as strong skim exports of dry skim milk products and lactose are expected in 2023. With larger expected domestic supplies, dairy imports are projected slightly lower from the previous forecast in 2023, at 6.8 billion pounds (-0.1 billion) on a milk-fat basis and 5.9 billion pounds (-0.1 billion) on a skim-solids basis. Higher expected milk production and lower dairy product prices are expected to boost domestic milk use in 2023. On a milk-fat basis, the annual domestic use forecast for 2023 is 222.1 billion pounds, 0.3 billion higher than the previous forecast. On a skim-solids basis, the forecast for domestic use is 182.2 billion pounds, 0.8 billion above last month's forecast. Dairy product price forecasts for 2023 have been lowered due to high expected domestic supplies and strong price competition from international exporter countries. Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey are lowered from last month's projections to \$1.975 (-9.5 cents), \$2.375 (-6.5 cents), \$1.450 (-19.5 cents) and \$0.485 (-3.0 cents), respectively. With lower estimated wholesale prices for cheese and dry whey, the Class III milk price forecast for 2023 is \$19.70 per cwt, \$1.15 lower than the previous month's forecast. Due to lower butter and NDM price forecasts, the Class IV milk price projection for 2023 is \$20.35 per cwt, \$1.95 lower than last month's forecast. The all-milk price forecast for 2023 is \$22.50 per cwt, a decrease of \$1.65 from last month's forecast.

### Dairy Forecasts for 2022 cont.

The all-milk price forecast for 2022 is \$25.20 per cwt, a decrease of \$0.95 from last month's forecast.

## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price - July 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	82.27%	149,972,289	\$14.64 /cwt.	\$ 21,955,943.10
Class I Butterfat	55.97%	3,863,324	\$3.3543 /lb.	12,958,747.70
Class I Differential at Location		153,835,613		8,553,401.88
<b>Total Class I Milk</b>	<b>81.30%</b>	<b>153,835,613</b>		<b>\$ 43,468,092.68</b>
Class II Skim Milk	13.52%	24,655,204	\$15.42 /cwt.	\$ 3,801,832.45
Class II Butterfat	39.45%	2,722,576	\$3.3670 /lb.	9,166,913.41
<b>Total Class II Milk</b>	<b>14.47%</b>	<b>27,377,780</b>		<b>\$ 12,968,745.86</b>
Class III Skim Milk	2.29%	4,173,025	\$11.15 /cwt.	\$ 465,292.30
Class III Butterfat	2.49%	171,820	\$3.3600 /lb.	577,315.20
<b>Total Class III Milk</b>	<b>2.30%</b>	<b>4,344,845</b>		<b>\$ 1,042,607.50</b>
Class IV Skim Milk	1.92%	3,505,061	\$14.54 /cwt.	\$ 509,635.87
Class IV Butterfat	2.09%	144,263	\$3.3600 /lb.	484,723.68
<b>Total Class IV Milk</b>	<b>1.93%</b>	<b>3,649,324</b>		<b>\$ 994,359.55</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>189,207,562</b>		<b>\$ 58,473,805.59</b>

#### Adjustments

Overage and Other Source	\$ 1,299.66
Inventory Adjustments	\$ 29.37
Producer Butterfat at Uniform Butterfat Price	-\$ 23,402,553.76
Location Adjustments	-\$ 238,954.60
1/2 Balance in Producer Settlement Fund	\$ 55,962.75

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 19.13797</b>	<b>\$ 34,889,589.01</b>
Producer Settlement Fund Reserve	<b>\$ 0.04797</b>	\$ 87,453.97

<b>Uniform Skim Milk Price (Hillsborough County, FL):</b>	<b>\$19.09 /cwt</b>
<b>Uniform Butterfat Price:</b>	<b>\$3.3907 /lb</b>
<b>Uniform Price (Hillsborough County, FL):</b>	<b>\$30.29 /cwt</b>

### F.O. 7 - Southeast: Uniform Price - July 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	70.83%	208,526,756	\$14.64 /cwt.	\$ 30,528,317.09
Class I Butterfat	45.74%	5,291,169	\$3.3543 /lb.	17,748,168.17
Class I Differential at Location		213,817,925		7,058,376.60
<b>Total Class I Milk</b>	<b>69.88%</b>	<b>213,817,925</b>		<b>\$ 55,334,861.86</b>
Class II Skim Milk	19.48%	57,334,746	\$15.42 /cwt.	\$ 8,841,017.85
Class II Butterfat	43.07%	4,983,566	\$3.3670 /lb.	16,779,666.73
<b>Total Class II Milk</b>	<b>20.37%</b>	<b>62,318,312</b>		<b>\$ 25,620,684.58</b>
Class III Skim Milk	3.81%	11,223,818	\$11.15 /cwt.	\$ 1,251,455.72
Class III Butterfat	3.43%	397,222	\$3.3600 /lb.	1,334,665.92
<b>Total Class III Milk</b>	<b>3.80%</b>	<b>11,621,040</b>		<b>\$ 2,586,121.64</b>
Class IV Skim Milk	5.88%	17,297,304	\$14.54 /cwt.	\$ 2,515,028.00
Class IV Butterfat	7.76%	897,750	\$3.3600 /lb.	3,016,440.00
<b>Total Class IV Milk</b>	<b>5.95%</b>	<b>18,195,054</b>		<b>\$ 5,531,468.00</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>305,952,331</b>		<b>\$ 89,073,136.08</b>

#### Adjustments

Overage and Other Source	\$ 1,139.35
Inventory Adjustments	-\$ 10,409.13
Producer Butterfat at Uniform Butterfat Price	-\$ 39,053,545.98
Location Adjustments	\$ 1,493,640.98
1/2 Balance in Producer Settlement Fund	\$ 162,143.34

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 17.55066</b>	<b>\$ 51,666,104.64</b>
Producer Settlement Fund Reserve	<b>\$ 0.04066</b>	\$ 119,707.19

<b>Uniform Skim Milk Price (Fulton County, GA):</b>	<b>\$17.51 /cwt</b>
<b>Uniform Butterfat Price:</b>	<b>\$3.3755 /lb</b>
<b>Uniform Price (Fulton County, GA):</b>	<b>\$28.71 /cwt</b>

## POOL HIGHLIGHTS

### F.O. 6 - Florida: July 2022

#### Producer Milk Utilization:

Class I:	81.30%
Class II:	14.47%
Class III:	2.30%
Class IV:	1.93%

#### The Uniform Price

for July 2022 was announced at \$30.29, an increase of \$8.31 from July 2021.

#### Total Producer Milk

for July 2022 totaled 189.2 million pounds, an increase of 4.7 million pounds from July 2021.

#### Total Class I Milk

for July 2022 was 153.8 million pounds, a decrease of 5.4 million pounds from July 2021.

#### Class I Utilization

for July 2022 was 81.30%, an decrease of 5.03 percentage points from July 2021.

### F.O. 7 - Southeast: July 2022

#### Producer Milk Utilization:

Class I:	69.88%
Class II:	20.37%
Class III:	3.80%
Class IV:	5.95%

#### The Uniform Price

for July 2022 was announced at \$28.71, an increase of \$8.91 from July 2021.

#### Total Producer Milk

for July 2022 totaled 306.0 million pounds, an decrease of 43.1 million pounds from July 2021.

#### Total Class I Milk

for July 2022 was 213.8 million pounds, an decrease of 23.1 million pounds from July 2021.

#### Class I Utilization

for July 2022 was 69.88%, a decrease of 2.01 percentage points from July 2021.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in July 2022 is \$30.29 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$19.09 per hundredweight plus 3.5 times the uniform butterfat price of \$3.3907 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during July 2022 totaled 189.2 million pounds. Florida producers supplied 151.4 million pounds of milk in July 2022 or an estimated 80% of the producer milk pooled in Florida. In July 2021, they supplied 84% of producer milk pooled on the Florida market. There were 8 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for July 2022. Total in-area Class I route disposition was 194.0 million pounds in July 2022, 13.3 million pounds less than July 2021.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2022 is \$28.71 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$17.51 per hundredweight plus 3.5 times the uniform butterfat price of \$3.3755 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during July 2022 totaled 306.0 million pounds. There were 16 regulated pool distributing plants, 1 pool supply plant and 8 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2022. Total in-area Class I route disposition was 273.0 million pounds in July 2022, a decrease of 23.7 million pounds from July 2021.

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## WASDE Dairy Report 1/ WASDE – 627, August 12, 2022

The milk production forecasts for 2022 and 2023 are raised from last month. The cow inventory is raised in both years based on the July 1 dairy cow inventory provided in the recent Cattle report. Output-per-cow is forecast to increase at a slightly more rapid pace in 2022 and the 2023 forecast is raised as well. Based on recent trade data, fat basis imports for 2022 are lowered from last month, but skim solids basis imports are unchanged. Imports for 2023 are lowered reflecting larger domestic supplies. Exports on both a skim-solids basis and on a fat, basis are raised for 2022 on recent data and expectations of larger available supplies. Export forecasts for 2023 on both fat and skim-solids bases are raised from last month on larger expected supplies. The forecasts for nonfat dry milk (NDM) and whey prices are also lower on observed prices and expected supplies. The Class III price is lowered on both lower cheese and whey prices, and the Class IV price lowered as the higher butter price is more than offset by the lower NDM price. The all-milk price for 2022 is lowered to \$25.20 per cwt. For 2023, forecasts for cheese, butter, NDM, and whey are all lowered on expectations of greater supplies and strong competition in international markets. With lower product prices, the Class III and Class IV price forecasts are lowered. The 2023 all milk price forecast is lowered to \$22.50 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

# Federal Milk Marketing Order Statistics

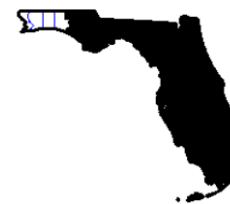
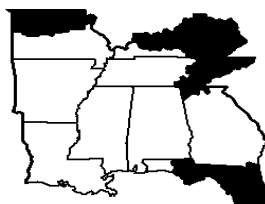
July 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,286.4	615.9	26.9	26.36
5 Appalachian	418.9	284.6	67.9	28.14
6 Florida	189.2	153.8	81.3	30.29
7 Southeast	306.0	213.8	69.9	28.71
30 Upper Midwest	2,584.3	154.2	6.0	22.93
32 Central	1,337.0	332.9	24.9	24.31
33 Mideast	1,314.3	468.9	35.7	24.70
51 California	1,742.7	359.2	20.6	24.22
124 Pacific Northwest	649.9	123.9	19.1	24.48
126 Southwest	1,077.9	285.6	26.5	24.80
131 Arizona	394.7	101.1	25.6	25.44
All Orders	12,301.4	3,094.2	25.2	24.85



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# Market Information BULLETIN

## FO 6 & 7

Jason Nierman - Market Administrator



www.fmmatlanta.com

September 2022

Volume 23—No. 9

### Jason Nierman Appointed Market Administrator

Jason Nierman has been appointed as Market Administrator for the Appalachian, Southeast and Florida Milk Marketing Orders effective September 4, 2022. Mr. Nierman began his federal career as an Agricultural Economist in the Dairy Program in 1998. In 2004, he held the position of Agricultural Economist for the Appalachian Order until 2008, when he became an Associate Market Administrator. He has served as Assistant Market Administrator for the Appalachian Order since 2013 and for the Southeast and Florida Orders since 2019. Mr. Nierman and the staff look forward to continuing to provide the Appalachian, Southeast and Florida dairy industries with excellent customer service.

### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, August 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

In the following forecast analysis, any changes discussed are adjustments from previous month forecasts, unless otherwise specified. Based on recent milk production information, the forecast for the average number of milk cows in 2022 has been lowered by 15,000 head, to 9.405 million head. However, the projected average yield per cow in 2022 was adjusted slightly higher, at 24,075 pounds per year. With lower cows and steady productivity per cow, the milk production forecast for 2022 is 226.5 billion pounds, down 0.3 billion. Due to anticipated strong demand from the international market and competitive domestic prices, higher export volumes of dairy products are projected throughout the rest of 2022. The forecast for 2022 dairy exports on a milk equivalent milk-fat basis was adjusted to 13.2 billion pounds, 0.3 billion higher. On a milk equivalent skim-solids basis, 2022 exports are forecast at 52.1 billion pounds, up 0.8 billion. Higher exports are expected for whey, lactose, and cheese, as U.S. prices are expected to remain competitive in international markets.

Wholesale price forecasts for most dairy products have been adjusted higher or remain unchanged for 2022. Price forecasts for butter and NDM are \$2.850 (+6.5 cents) and \$1.690 (+2.5 cents) per pound, respectively. The 2022 wholesale price forecasts for cheese and dry whey remained unchanged at \$2.075 and \$0.610 per pound, respectively. The Class III milk price forecast for 2022 is \$21.65 per hundredweight (cwt), up \$0.05.

### Dairy Forecasts for 2022 cont.

Due to higher butter and NDM price forecasts, the Class IV milk price projection was adjusted to \$24.45 per cwt, up \$0.50. The all-milk price forecast for 2022 is \$25.45 per cwt, an increase of \$0.25.

### Dairy Forecasts for 2023

Following through on the 2022 upward forecast, the 2023 milk cow inventory is raised by 35,000 head to 9.435 million head. The forecast for milk per cow is 24,300 pounds, 10 pounds higher than last month's forecast. The projection for 2023 milk production has been raised to 229.2 billion pounds, 0.9 billion higher than last month's forecast and 2.4 billion pounds above the 2022 forecast. Dairy exports are projected higher for 2023 on greater expected supplies, although increased competition with other suppliers may limit increases. On a milk-fat basis, the export forecast for 2023 is 11.7 billion pounds, 0.1 billion above last month's forecast. In 2023, dairy exports are projected to total 51.2 billion pounds on a skim-solids basis, 0.2 billion higher than the previous month's forecast, as strong skim exports of dry skim milk products and lactose are expected in 2023. With larger expected domestic supplies, dairy imports are projected slightly lower from the previous forecast in 2023, at 6.8 billion pounds (-0.1 billion) on a milk-fat basis and 5.9 billion pounds (-0.1 billion) on a skim-solids basis. Higher expected milk production and lower dairy product prices are expected to boost domestic milk use in 2023. On a milk-fat basis, the annual domestic use forecast for 2023 is 222.1 billion pounds, 0.3 billion higher than the previous forecast. On a skim-solids basis, the forecast for domestic use is 182.2 billion pounds, 0.8 billion above last month's forecast. Dairy product price forecasts for 2023 have been lowered due to high expected domestic supplies and strong price competition from international exporter countries. Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey are lowered from last month's projections to \$1.975 (-9.5 cents), \$2.375 (-6.5 cents), \$1.450 (-19.5 cents) and \$0.485 (-3.0 cents), respectively. With lower estimated wholesale prices for cheese and dry whey, the Class III milk price forecast for 2023 is \$19.70 per cwt, \$1.15 lower than the previous month's forecast. Due to lower butter and NDM price forecasts, the Class IV milk price projection for 2023 is \$20.35 per cwt, \$1.95 lower than last month's forecast. The all-milk price forecast for 2023 is \$22.50 per cwt, a decrease of \$1.65 from last month's forecast.



## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price - August 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	84.77%	167,530,889	\$13.75 /cwt.	\$ 23,035,497.26
Class I Butterfat	52.16%	3,939,546	\$3.3886 /lb.	13,349,545.58
Class I Differential at Location		171,470,435		9,506,945.10
Total Class I Milk	<b>83.56%</b>	<b>171,470,435</b>		<b>\$ 45,891,987.94</b>
Class II Skim Milk	12.67%	25,044,035	\$15.53 /cwt.	\$ 3,889,338.63
Class II Butterfat	44.27%	3,344,323	\$3.4071 /lb.	11,394,442.89
Total Class II Milk	<b>13.84%</b>	<b>28,388,358</b>		<b>\$ 15,283,781.52</b>
Class III Skim Milk	1.42%	2,813,915	\$8.50 /cwt.	\$ 239,182.79
Class III Butterfat	1.65%	124,321	\$3.4001 /lb.	422,703.83
Total Class III Milk	<b>1.43%</b>	<b>2,938,236</b>		<b>\$ 661,886.62</b>
Class IV Skim Milk	1.14%	2,247,401	\$13.38 /cwt.	\$ 300,702.27
Class IV Butterfat	1.92%	145,399	\$3.4001 /lb.	494,371.14
Total Class IV Milk	<b>1.17%</b>	<b>2,392,800</b>		<b>\$ 795,073.41</b>
Producer Milk	<b>100.00%</b>	<b>205,189,829</b>		<b>\$ 62,632,729.49</b>

#### Adjustments

Overage and Other Source	\$ 0.00
Inventory Adjustments	-\$ 90,846.65
Producer Butterfat at Uniform Butterfat Price	-\$ 25,880,106.63
Location Adjustments	-\$ 266,732.38
1/2 Balance in Producer Settlement Fund	\$ 46,410.52

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 18.43865</b>	<b>\$ 36,441,454.35</b>
Producer Settlement Fund Reserve	<b>\$ 0.04865</b>	\$ 96,149.81

Uniform Skim Milk Price (Hillsborough County, FL):	<b>\$18.39</b> /cwt
Uniform Butterfat Price:	<b>\$3.4262</b> /lb
Uniform Price (Hillsborough County, FL):	<b>\$29.74</b> /cwt

### F.O. 7 - Southeast: Uniform Price - August 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	78.81%	242,667,480	\$13.75 /cwt.	\$ 33,366,778.52
Class I Butterfat	46.87%	5,700,997	\$3.3886 /lb.	19,318,398.44
Class I Differential at Location		248,368,477		8,196,504.74
Total Class I Milk	<b>77.59%</b>	<b>248,368,477</b>		<b>\$ 60,881,681.70</b>
Class II Skim Milk	15.36%	47,303,171	\$15.53 /cwt.	\$ 7,346,182.42
Class II Butterfat	43.51%	5,292,567	\$3.4071 /lb.	18,032,305.04
Total Class II Milk	<b>16.43%</b>	<b>52,595,738</b>		<b>\$ 25,378,487.46</b>
Class III Skim Milk	4.18%	12,887,519	\$8.50 /cwt.	\$ 1,095,439.16
Class III Butterfat	4.84%	588,459	\$3.4001 /lb.	2,000,819.44
Total Class III Milk	<b>4.21%</b>	<b>13,475,978</b>		<b>\$ 3,096,258.60</b>
Class IV Skim Milk	1.65%	5,087,548	\$13.38 /cwt.	\$ 680,713.93
Class IV Butterfat	4.78%	581,160	\$3.4001 /lb.	1,976,002.12
Total Class IV Milk	<b>1.77%</b>	<b>5,668,708</b>		<b>\$ 2,656,716.05</b>
Producer Milk	<b>100.00%</b>	<b>320,108,901</b>		<b>\$ 92,013,143.81</b>

#### Adjustments

Overage and Other Source	\$ 5,206.05
Inventory Adjustments	-\$ 225,021.79
Producer Butterfat at Uniform Butterfat Price	-\$ 41,515,376.22
Location Adjustments	\$ 1,473,629.87
1/2 Balance in Producer Settlement Fund	\$ 139,683.39

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 16.85078</b>	<b>\$ 51,891,265.11</b>
Producer Settlement Fund Reserve	<b>\$ 0.04078</b>	\$ 125,589.93

Uniform Skim Milk Price (Fulton County, GA):	<b>\$16.81</b> /cwt
Uniform Butterfat Price:	<b>\$3.4132</b> /lb
Uniform Price (Fulton County, GA):	<b>\$28.17</b> /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: August 2022

#### Producer Milk Utilization:

Class I:	83.56%
Class II:	13.84%
Class III:	1.43%
Class IV:	1.17%

#### The Uniform Price

for August 2022 was announced at \$29.74, an increase of \$8.63 from August 2021.

#### Total Producer Milk

for August 2022 totaled 205.2 million pounds, an decrease of 2.4 million pounds from August 2021.

#### Total Class I Milk

for August 2022 was 171.4 million pounds, a increase of 4.2 million pounds from August 2021.

#### Class I Utilization

for August 2022 was 83.56%, an increase of 3.01 percentage points from July 2021.

### F.O. 7 - Southeast: August 2022

#### Producer Milk Utilization:

Class I:	77.59%
Class II:	16.43%
Class III:	4.21%
Class IV:	1.77%

#### The Uniform Price

for August 2022 was announced at \$28.17, an increase of \$8.57 from August 2021.

#### Total Producer Milk

for August 2022 totaled 320.1 million pounds, an decrease of 41.2 million pounds from August 2021.

#### Total Class I Milk

for July 2022 was 242.7 million pounds, an decrease of 11 million pounds from August 2021.

#### Class I Utilization

for August 2022 was 78.81%, a increase of 6 percentage points from August 2021.

## **Florida Market Summary**

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in August 2022 is \$29.74 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$18.39 per hundredweight plus 3.5 times the uniform butterfat price of \$3.4262 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during August 2022 totaled 205.2 million pounds. Florida producers supplied 145.3 million pounds of milk in August 2022 or an estimated 71% of the producer milk pooled in Florida. In August 2021, they supplied 76% of producer milk pooled on the Florida market. There were 8 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for August 2022. Total in-area Class I route disposition was 216.6 million pounds in August 2022, an increase of 5.0 million pounds from August 2021.

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## **Southeast Market Summary**

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2022 is \$28.17 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.81 per hundredweight plus 3.5 times the uniform butterfat price of \$3.4132 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during August 2022 totaled 320.1 million pounds. There were 16 regulated pool distributing plants, 1 pool supply plant and 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2022. Total in-area Class I route disposition was 312.3 million pounds in August 2022, a decrease of 1.9 million pounds from August 2021.

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## **WASDE Dairy Report 1/ WASDE – 628, September 12, 2022**

The milk production forecasts for 2022 and 2023 are lowered from last month. Milk cow numbers are reduced, reflecting the average July 2022 cow number reported in the recent Milk Production report. Slower growth in cow numbers is carried through late 2022 and is expected to carry into 2023. Output-per-cow is forecast to increase at a slightly more rapid pace in 2022 but the forecast for 2023 is unchanged. Fat and skim-solids basis imports for 2022 and 2023 are raised, largely driven by recent trade data and higher expected imports of cheese throughout the forecast period. Exports for both years are raised on expectations of stronger whey, lactose, and cheese exports, which are projected to be price competitive. For 2022, forecasts for butter prices and nonfat dry milk (NDM) are raised slightly on current price strength, but cheese and whey prices are unchanged. Both Class III and Class IV prices are raised, reflecting changes in their component values. For 2023, forecasts for butter and NDM are raised on tighter supplies, cheese is lowered slightly, while whey prices are unchanged. The Class III price is unchanged while the Class IV price forecast is raised WASDE-628-5 on higher butter prices. The 2022 all milk price forecast is raised to \$25.45 per cwt and the 2023 all milk price is raised to \$22.70 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

# Federal Milk Marketing Order Statistics

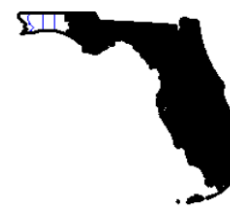
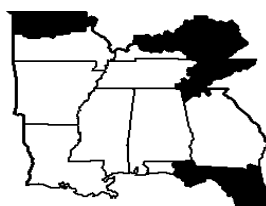
August 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,264.0	650.2	28.7	25.42
5 Appalachian	446.7	326.0	73.0	27.49
6 Florida	205.2	171.5	83.6	29.74
7 Southeast	320.1	248.4	77.6	28.17
30 Upper Midwest	2,896.3	167.2	5.8	20.60
32 Central	1,312.1	368.1	28.1	22.82
33 Mideast	1,301.1	505.6	38.9	23.33
51 California	1,843.3	402.4	21.8	22.38
124 Pacific Northwest	618.9	134.3	21.7	23.08
126 Southwest	1,184.6	338.9	28.6	23.16
131 Arizona	324.5	101.3	31.2	23.86
All Orders	12,717.0	3,413.9	26.8	23.25



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# Market Information BULLETIN

## FO 6 & 7

Jason Nierman - Market Administrator



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October 2022

Volume 23—No. 10

### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, August 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

In the following forecast analysis, any changes discussed are adjustments from previous month forecasts, unless otherwise specified. Based on recent milk production information, the forecast for the average number of milk cows in 2022 has been increased by 5,000 head, to 9.410 million head as a more rapid pace of expansion is expected in late 2022. The projected average yield per cow in 2022 was adjusted higher for the remainder of 2022, at 24,110 pounds per year. With more cows and productivity per cow, the milk production forecast for 2022 is 226.9 billion pounds, 0.4 billion higher. Due to anticipated strong demand from the international market and competitive domestic prices, higher export volumes of dairy products are projected throughout the rest of 2022. The forecast for 2022 dairy exports on a milk-equivalent milk-fat basis was adjusted to 13.5 billion pounds, 0.3 billion higher. On a milk-equivalent skim-solids basis, 2022 exports are forecast at 52.2 billion pounds, up 0.1 billion. Higher exports are expected for whey, lactose, and butterfat products. However, export growth of NDM is expected to be slower in 2022. Dairy import forecasts were adjusted higher for 2022. On a milk equivalent milk-fat basis, annual dairy import projections for 2022 were adjusted up to 7.2 billion pounds, 0.1 billion higher. On a milk equivalent skim-solids basis, 2022 dairy imports were also adjusted up to 6.5 billion pounds, higher by 0.3 billion. Higher expected imports of cheese, milk protein concentrate, and casein imports are anticipated throughout 2022. On a milk-equivalent milk-fat basis, the annual forecast for 2022 domestic use is 219.5 billion pounds, down 0.8 billion. The domestic use forecast on a milk-equivalent skim-solids basis for 2022 is 179.2 billion pounds, up 0.2 billion. Price forecasts for cheese and butter are up at \$ 2.105 (+3.0 cents) and \$2.880 (+3.0 cents) per pound, respectively. The 2022 wholesale price forecast of NDM was unchanged at \$1.690, while the price of dry whey was down 0.005 cent at \$0.605 per pound. The Class III milk price forecast for 2022 is \$21.90 per hundredweight (cwt), up \$0.25.

### Dairy Forecasts for 2022 cont.

The Class IV milk price projection was adjusted to \$24.60 per cwt, up \$0.15. The all-milk price forecast for 2022 is \$25.60 per cwt, an increase of \$0.15.

### Dairy Forecast for 2023

As with the discussion of forecasts for 2022, any changes discussed in this section are adjustments from previous month forecasts unless otherwise specified. More dairy cows are expected in the first half of 2023, and the productivity of the herd is expected to be higher. The 2023 forecast for the average number of milk cows has been increased by 10,000 head to 9,425 million head. The 2023 forecast for milk per cow was adjusted up 20 pounds per cow at 24,320 pounds. The projection for 2023 milk production has been revised to 229.2 billion pounds, 0.4 billion pounds higher. Dairy exports are expected to be strong in 2023. The export forecast for 2023 on a milk equivalent milk-fat basis is 12.6 billion pounds, 0.2 billion higher. On a milk-equivalent skim solids basis, 2023 dairy exports are projected to total 52.2 billion pounds, 0.4 billion higher. As with 2022, in 2023, higher exports are expected for whey, lactose, and butterfat products at competitive prices in the international markets. In line with 2022, exports of NDM are forecast lower in 2023.

On a milk-equivalent milk-fat basis, 2023 dairy import forecasts are up 0.2 billion pounds to 7.2 billion pounds driven by anticipated stronger imports of butter. On a milk-equivalent skim-solids basis, dairy imports were unchanged at 6.1 billion pounds. On a milk-equivalent milk-fat basis, the domestic use forecast for 2023 was unchanged at 221.2 billion pounds. On a milk-equivalent skim-solids basis, the forecast for domestic use is 181.6 billion pounds, 0.2 billion higher. The 2023 wholesale price forecasts for cheese and butter were raised to \$1.985 (+1.5 cents) and \$2.440 (+5.5 cents) per pound, respectively. The 2023 dry whey price forecast remained unchanged at \$0.485, and the NDM price forecast was adjusted to \$1.495 (-1.0 cent) per pound. Due to higher cheese prices and steady dry whey prices, the Class III milk price forecast for 2023 was adjusted up 10 cents up to \$19.80 per cwt. The Class IV milk price projection for 2023 is \$21.00 per cwt, \$0.15 higher. The all-milk price forecast for 2023 is \$22.90 per cwt, an increase of \$0.20.

## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price - September 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	85.94%	156,768,328	\$12.07 /cwt.	\$ 18,921,937.20
Class I Butterfat	52.67%	3,690,423	\$3.4201 /lb.	12,621,615.72
Class I Differential at Location		160,458,751		8,913,466.15
Total Class I Milk	<b>84.71%</b>	<b>160,458,751</b>		<b>\$ 40,457,019.07</b>
Class II Skim Milk	11.06%	20,182,090	\$14.52 /cwt.	\$ 2,930,439.47
Class II Butterfat	43.14%	3,023,221	\$3.5723 /lb.	10,799,852.38
Total Class II Milk	<b>12.25%</b>	<b>23,205,311</b>		<b>\$ 13,730,291.85</b>
Class III Skim Milk	1.75%	3,197,964	\$7.61 /cwt.	\$ 243,365.06
Class III Butterfat	1.95%	136,775	\$3.5653 /lb.	487,643.92
Total Class III Milk	<b>1.76%</b>	<b>3,334,739</b>		<b>\$ 731,008.98</b>
Class IV Skim Milk	1.25%	2,275,382	\$12.59 /cwt.	\$ 286,470.61
Class IV Butterfat	2.24%	157,301	\$3.5653 /lb.	560,825.26
Total Class IV Milk	<b>1.28%</b>	<b>2,432,683</b>		<b>\$ 847,295.87</b>
Producer Milk	<b>100.00%</b>	<b>189,431,484</b>		<b>\$ 55,765,615.77</b>

#### Adjustments

Overage and Other Source	\$ 0.00
Inventory Adjustments	-\$ 41,663.74
Producer Butterfat at Uniform Butterfat Price	-\$ 24,675,583.66
Location Adjustments	-\$ 261,130.11
1/2 Balance in Producer Settlement Fund	\$ 37,797.23

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 16.89749</b>	<b>\$ 30,825,035.49</b>
Producer Settlement Fund Reserve	<b>\$ 0.04749</b>	\$ 86,631.26

Uniform Skim Milk Price (Hillsborough County, FL):	<b>\$16.85</b> /cwt
Uniform Butterfat Price:	<b>\$3.5212</b> /lb
Uniform Price (Hillsborough County, FL):	<b>\$28.58</b> /cwt

### F.O. 7 - Southeast: Uniform Price - September 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	84.29%	236,575,849	\$12.07 /cwt.	\$ 28,554,704.99
Class I Butterfat	48.72%	5,526,430	\$3.4201 /lb.	18,900,943.24
Class I Differential at Location		242,102,279		7,876,028.55
Total Class I Milk	<b>82.91%</b>	<b>242,102,279</b>		<b>\$ 55,331,676.78</b>
Class II Skim Milk	12.75%	35,792,445	\$14.52 /cwt.	\$ 5,197,063.02
Class II Butterfat	41.39%	4,695,417	\$3.5723 /lb.	16,773,438.13
Total Class II Milk	<b>13.86%</b>	<b>40,487,862</b>		<b>\$ 21,970,501.15</b>
Class III Skim Milk	2.86%	8,037,134	\$7.61 /cwt.	\$ 611,625.91
Class III Butterfat	3.34%	378,334	\$3.5653 /lb.	1,348,874.20
Total Class III Milk	<b>2.88%</b>	<b>8,415,468</b>		<b>\$ 1,960,500.11</b>
Class IV Skim Milk	0.10%	285,923	\$12.59 /cwt.	\$ 35,997.70
Class IV Butterfat	6.55%	743,257	\$3.5653 /lb.	2,649,934.19
Total Class IV Milk	<b>0.35%</b>	<b>1,029,180</b>		<b>\$ 2,685,931.89</b>
Producer Milk	<b>100.00%</b>	<b>292,034,789</b>		<b>\$ 81,948,609.93</b>

#### Adjustments

Overage and Other Source	\$ 87,463.24
Inventory Adjustments	-\$ 256,431.31
Producer Butterfat at Uniform Butterfat Price	-\$ 39,854,035.07
Location Adjustments	\$ 1,324,754.97
1/2 Balance in Producer Settlement Fund	\$ 136,294.57

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 15.45707</b>	<b>\$ 43,386,656.33</b>
Producer Settlement Fund Reserve	<b>\$ 0.04707</b>	\$ 132,119.15

Uniform Skim Milk Price (Fulton County, GA):	<b>\$15.41</b> /cwt
Uniform Butterfat Price:	<b>\$3.5134</b> /lb
Uniform Price (Fulton County, GA):	<b>\$27.17</b> /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: September 2022

#### Producer Milk Utilization:

Class I:	84.71%
Class II:	12.25%
Class III:	1.76%
Class IV:	1.28%

#### The Uniform Price

for Sept. 2022 was announced at \$28.58, an increase of \$7.36 from Sept. 2021.

#### Total Producer Milk

for Sept. 2022 totaled 189.4 million pounds, a decrease of 7.6 million pounds from Sept. 2021.

#### Total Class I Milk

for Sept. 2022 was 160.5 million pounds, a decrease of 3.7 million pounds from Sept. 2021.

#### Class I Utilization

for Sept. 2022 was 84.71%, an increase of 1.37 percentage points from Sept. 2021.

### F.O. 7 - Southeast: September 2022

#### Producer Milk Utilization:

Class I:	82.91%
Class II:	13.86%
Class III:	2.88%
Class IV:	0.35%

#### The Uniform Price

for Sept. 2022 was announced at \$27.17, an increase of \$7.47 from Sept. 2021.

#### Total Producer Milk

for Sept. 2022 totaled 292.0 million pounds, a decrease of 75.0 million pounds from Sept. 2021.

#### Total Class I Milk

for Sept 2022 was 242.1 million pounds, a decrease of 19.0 million pounds from Sept. 2021.

#### Class I Utilization

for Sept. 2022 was 82.91%, an increase of 11.77 percentage points from Sept. 2021.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in September 2022 is \$28.58 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$16.85 per hundredweight plus 3.5 times the uniform butterfat price of \$3.5212 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during September 2022 totaled 189.4 million pounds. Florida producers supplied 130.3 million pounds of milk in September 2022 or an estimated 69% of the producer milk pooled in Florida. In September 2021, they supplied 74% of producer milk pooled on the Florida market. There were 8 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for September 2022. Total in-area Class I route disposition was 200.8 million pounds in September 2022, a decrease of 11.0 million pounds from September 2021.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2022 is \$27.17 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.41 per hundredweight plus 3.5 times the uniform butterfat price of \$3.5134 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during September 2022 totaled 292.0 million pounds. There were 16 regulated pool distributing plants, 1 pool supply plant and 8 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2022. Total in-area Class I route disposition was 300.8 million pounds in September 2022, a decrease of 21.0 million pounds from September 2021.

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## WASDE Dairy Report 1/ WASDE – 629, October 14, 2022

The milk production forecasts for 2022 and 2023 are raised from last month. The cow inventory is raised reflecting a more rapid pace of expansion in late 2022 and the first half of 2023. Output-per-cow is raised for the remainder of 2022 and into the first part of 2023. Fat and skim-solids basis imports for 2022 are raised, largely driven by recent trade data and higher expected imports of cheese and several other products; the skim imports increase also reflects strong milk protein concentrate and casein imports. Forecasts for 2023 imports for both bases are also raised largely on stronger imports of butter. Exports for both years are raised on expectations of stronger whey, lactose, and butterfat product exports. However, export growth in skim milk powder is expected to be slower in 2022. For 2022, forecasts for butter and cheese prices are raised on current price strength, but nonfat dry milk (NDM) and whey prices are lowered. Both Class III and Class IV prices are raised, reflecting the higher butter and cheese prices respectively. For 2023, price forecasts for butter and cheese are raised while the NDM prices is lower. The Class III price is raised on higher cheese and Class IV price forecast is raised as the higher butter price more than offsets the lower expected NDM price. The 2022 all milk price forecast is raised to \$25.60 per cwt and the 2023 all milk price is raised to \$22.90 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

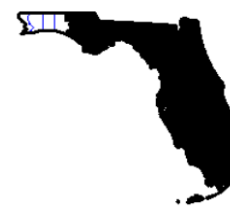
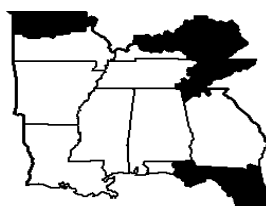
# Federal Milk Marketing Order Statistics

September 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,187.1	675.0	30.9	24.82
5 Appalachian	430.5	315.9	73.4	26.53
6 Florida	189.4	160.5	84.7	28.58
7 Southeast	292.0	242.1	82.9	27.17
30 Upper Midwest	2,774.2	169.4	6.1	20.28
32 Central	1,289.4	365.1	28.3	22.20
33 Mideast	1,303.4	510.1	39.1	22.64
51 California	1,841.6	395.6	21.5	21.80
124 Pacific Northwest	610.8	140.0	22.9	22.54
126 Southwest	1,132.8	325.7	28.8	22.55
131 Arizona	360.6	111.5	30.9	23.81
All Orders	12,411.8	3,410.7	27.5	22.68



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# Market Information BULLETIN

## FO 6 & 7

Jason Nierman - Market Administrator



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November 2022

Volume 23—No. 10

### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, November 2022, USDA, Economic Research Service:*

### Dairy Forecasts for 2022

In the following forecast analysis, any changes discussed are adjustments from the previous month's forecasts, unless otherwise specified. Based on recent milk production data for 2022-Q3, the dairy herd size forecast for 2022-Q4 is adjusted downward, but output per cow was raised. Milk cows for 2022 are projected to average 9.405 million head, 5,000 cows fewer. The average milk output per cow in 2022 is projected to be 24,130 pounds per head, 20 pounds higher. The milk production forecast for 2022 was adjusted to 227.0 billion pounds, 0.1 billion pounds higher. Based on recent trade data for 2022-Q3, the 2022-Q4 dairy export forecast was revised downward on a milk-equivalent milk-fat basis but raised on a milk-equivalent skim-solid basis. The forecast for 2022 exports on a milk-equivalent milk-fat basis is adjusted downward to 13.1 (- 0.4 billion pounds) largely on lower exports of butter and other butterfat products. On a milk equivalent skim-solids basis, the export forecast for 2022 has been raised by 0.2 billion pounds to 52.4 billion due to higher expected exports of dry skim milk products and lactose.

The 2022 forecast for dairy products imports are adjusted lower based on recent trade data. On a milk-equivalent milk-fat basis, the 2022 projection for dairy products imports has been lowered to 7.0 billion pounds (-0.2 billion) due to lower expected imports of butterfat products projected in 2022-Q4. On a milk-equivalent skim-solids basis, the forecast for 2022 imports is adjusted to 6.4 billion pounds, down 0.1 billion pounds.

Based on 2022-Q3 quantities and 2022-Q4 higher forecasted domestic use, the 2022 forecast for dairy products domestic use is adjusted upward. On a milk-equivalent milk-fat basis, the forecast is 220.0 billion pounds, 0.5 billion higher, and on a milk-equivalent skim-solids basis the forecast is 179.8 billion pounds, 0.6 billion higher.

### Request to Amend Transportation Credit Provisions in Appalachian, Florida, and Southeast Orders

USDA received a formal proposal on October 28, 2022, to amend inter-market transportation credits in the Appalachian and Southeast orders and adopt new provisions to establish distributing plant delivery credits in the Appalachian, Southeast and Florida orders. The proposal was submitted on behalf of the Dairy Cooperative Marketing Agency (DCMA), which represents nine cooperatives in the region. The proponents contend the three southeastern FMMA areas have a chronic milk deficit, creating challenging marketing conditions to ensure the fluid milk needs of the orders are met. The proponents contend that inter-market transportation credits in the Appalachian and Southeast orders and distributing plant delivery credits in the Appalachian, Southeast and Florida orders will incentivize more orderly movement of milk in the southeast region.

Based on the information submitted, USDA is considering initiation of a rulemaking proceeding that would include a public hearing to collect evidence regarding proposed changes to the intermarket transportation credits in the Appalachian and Southeast orders and adoption of distributing plant delivery credits in the Appalachian, Southeast, and Florida orders.

Additional information available at:

<https://www.ams.usda.gov/rules-regulations/moa/dairy/petitions>

### Dairy Forecasts for 2022 cont.

Based on recent declines in prices for Cheddar cheese, butter, and NDM, 2022 price forecasts for those products have been adjusted downward to \$2.100 (-0.5 cent), \$2.845 (-3.5 cents), and \$1.680 (-1.0 cent) per pound, respectively. The 2022 price forecast for dry whey remains unchanged at \$0.605. With the lower projected wholesale price for cheese and steady dry whey price forecast, the Class III milk price forecast for 2022 is \$21.80 per cwt (-10 cents). Due to lower butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$24.30 per cwt (-30 cents). The all milk price forecast for 2022 has been decreased to \$25.50 per cwt (-10 cents).



## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price -October 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	86.28%	181,318,945	\$10.60 /cwt.	\$ 19,219,808.18
Class I Butterfat	52.71%	4,319,222	\$3.5671 /lb.	15,407,096.81
Class I Differential at Location		185,638,167		10,291,625.34
Total Class I Milk	<b>85.03%</b>	<b>185,638,167</b>		<b>\$ 44,918,530.33</b>
Class II Skim Milk	10.17%	21,365,313	\$13.37 /cwt.	\$ 2,856,542.37
Class II Butterfat	42.27%	3,464,382	\$3.6637 /lb.	12,692,456.33
Total Class II Milk	<b>11.37%</b>	<b>24,829,695</b>		<b>\$ 15,548,998.70</b>
Class III Skim Milk	2.22%	4,654,382	\$9.34 /cwt.	\$ 434,719.28
Class III Butterfat	2.93%	240,495	\$3.6567 /lb.	879,418.06
Total Class III Milk	<b>2.24%</b>	<b>4,894,877</b>		<b>\$ 1,314,137.34</b>
Class IV Skim Milk	1.33%	2,787,709	\$12.60 /cwt.	\$ 351,251.32
Class IV Butterfat	2.09%	171,256	\$3.6567 /lb.	626,231.83
Total Class IV Milk	<b>1.36%</b>	<b>2,958,965</b>		<b>\$ 977,483.15</b>
Producer Milk	<b>100.00%</b>	<b>218,321,704</b>		<b>\$ 62,759,149.52</b>

#### Adjustments

Overage and Other Source	\$ 20,445.68
Inventory Adjustments	-\$ 20,396.92
Producer Butterfat at Uniform Butterfat Price	-\$ 29,845,024.30
Location Adjustments	-\$ 299,031.90
1/2 Balance in Producer Settlement Fund	\$ 57,938.76

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 15.54925</b>	<b>\$ 32,673,080.84</b>
Producer Settlement Fund Reserve	<b>\$ 0.04925</b>	\$ 103,496.75

Uniform Skim Milk Price (Hillsborough County, FL):	<b>\$15.50</b> /cwt
Uniform Butterfat Price:	<b>\$3.6417</b> /lb
Uniform Price (Hillsborough County, FL):	<b>\$27.70</b> /cwt

### F.O. 7 - Southeast: Uniform Price - October 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	79.77%	222,226,450	\$10.60 /cwt.	\$ 23,556,003.71
Class I Butterfat	45.66%	5,359,617	\$3.5671 /lb.	19,118,289.80
Class I Differential at Location		227,586,067		7,224,081.58
Total Class I Milk	<b>78.39%</b>	<b>227,586,067</b>		<b>\$ 49,898,375.09</b>
Class II Skim Milk	13.53%	37,694,620	\$13.37 /cwt.	\$ 5,039,770.69
Class II Butterfat	41.36%	4,853,700	\$3.6637 /lb.	17,782,500.69
Total Class II Milk	<b>14.66%</b>	<b>42,548,320</b>		<b>\$ 22,822,271.38</b>
Class III Skim Milk	3.60%	10,018,206	\$9.34 /cwt.	\$ 935,700.43
Class III Butterfat	3.47%	407,253	\$3.6567 /lb.	1,489,202.04
Total Class III Milk	<b>3.59%</b>	<b>10,425,459</b>		<b>\$ 2,424,902.47</b>
Class IV Skim Milk	3.10%	8,627,982	\$12.60 /cwt.	\$ 1,087,125.72
Class IV Butterfat	9.51%	1,115,677	\$3.6567 /lb.	4,079,696.09
Total Class IV Milk	<b>3.36%</b>	<b>9,743,659</b>		<b>\$ 5,166,821.81</b>
Producer Milk	<b>100.00%</b>	<b>290,303,505</b>		<b>\$ 80,312,370.75</b>

#### Adjustments

Overage and Other Source	\$ 0.00
Inventory Adjustments	-\$ 24,053.94
Producer Butterfat at Uniform Butterfat Price	-\$ 42,640,132.60
Location Adjustments	\$ 1,498,757.05
1/2 Balance in Producer Settlement Fund	\$ 147,907.63

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 14.10605</b>	<b>\$ 39,294,848.89</b>
Producer Settlement Fund Reserve	<b>\$ 0.04605</b>	\$ 128,292.42

Uniform Skim Milk Price (Fulton County, GA):	<b>\$14.06</b> /cwt
Uniform Butterfat Price:	<b>\$3.6332</b> /lb
Uniform Price (Fulton County, GA):	<b>\$26.28</b> /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: October 2022

#### Producer Milk Utilization:

Class I:	85.03%
Class II:	11.37%
Class III:	2.24%
Class IV:	1.36%

#### The Uniform Price

for Oct. 2022 was announced at \$27.70, an increase of \$6.15 from Oct. 2021.

#### Total Producer Milk

for Oct. 2022 totaled 218.3 million pounds, an increase of 12 million pounds from Oct. 2021.

#### Total Class I Milk

for Oct. 2022 was 185.6 million pounds, a increase of 15.4 million pounds from Oct. 2021.

#### Class I Utilization

for Oct. 2022 was 85.03%, an increase of 2.53 percentage points from Oct. 2021.

### F.O. 7 - Southeast: October 2022

#### Producer Milk Utilization:

Class I:	78.39%
Class II:	14.66%
Class III:	3.59%
Class IV:	3.36%

#### The Uniform Price

for Oct. 2022 was announced at \$26.28, an increase of \$6.42 from Oct. 2021.

#### Total Producer Milk

for Oct. 2022 totaled 290.3 million pounds, a decrease of 94.3 million pounds from Oct. 2021.

#### Total Class I Milk

for Oct 2022 was 227.6 million pounds, an increase of 33.8 million pounds from Oct. 2021.

#### Class I Utilization

for Oct. 2022 was 78.39%, an increase of 10.44 percentage points from Oct. 2021.



## **Florida Market Summary**

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in October 2022 is \$27.70 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$15.50 per hundredweight plus 3.5 times the uniform butterfat price of \$3.6417 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during October 2022 totaled 218.3 million pounds. Florida producers supplied 140.9 million pounds of milk in October 2022 or an estimated 65% of the producer milk pooled in Florida. In October 2021, they supplied 74% of producer milk pooled on the Florida market. There were 8 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for October 2022. Total in-area Class I route disposition was 203.5 million pounds in October 2022, a decrease of 16.6 million pounds from October 2021.

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## **Southeast Market Summary**

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2022 is \$26.28 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.06 per hundredweight plus 3.5 times the uniform butterfat price of \$3.6332 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during October 2022 totaled 290.3 million pounds. There were 15 regulated pool distributing plants, 1 pool supply plant and 8 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2022. Total in-area Class I route disposition was 325.3 million pounds in October 2022, an increase of 2.5 million pounds from October 2021.

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## **WASDE Dairy Report 1/ WASDE – 630, November 9, 2022**

The milk production forecast for 2022 is raised from last month, while 2023 production is unchanged. The dairy cow inventory for both years is lowered on recent published data but output per cow is raised. Fat and skim-solids basis imports for 2022 are lowered, driven by recent trade data and lower expected imports of cheese and butterfat products. Forecasts for 2023 fat basis imports are lowered on weaker butterfat products, while skim-solids basis imports are raised on cheese. Exports on a fat basis for 2022 are lowered on weaker expected exports of cheese and butterfat products but raised for 2023. Exports on a skim-solids basis are raised in 2022 on higher expected exports of skim milk powders (SMP) and lactose and for 2023 on higher SMP and whey exports. For 2022, forecasts for butter, cheese, and nonfat dry milk (NDM) prices are lowered on current prices and larger milk supplies. Whey prices are unchanged. Both Class III and Class IV prices are lowered on weaker product prices. For 2023, the price forecast for butter is raised, but lowered for cheese and NDM. Whey prices are unchanged. With lower cheese and NDM prices, Class III and Class IV price forecasts are lowered. The 2022 all milk price forecast is lowered to \$25.50 per cwt and the 2023 all milk price is lowered to \$22.60 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

# Federal Milk Marketing Order Statistics

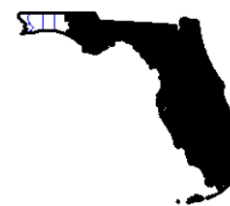
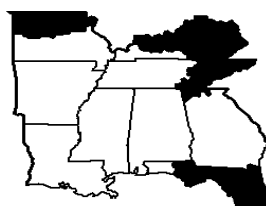
October 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,243.8	677.2	30.2	24.77
5 Appalachian	460.6	329.7	71.6	25.80
6 Florida	218.3	185.6	85.0	27.70
7 Southeast	290.3	227.6	78.4	26.28
30 Upper Midwest	2,875.0	169.0	5.9	22.03
32 Central	1,334.6	367.6	27.5	22.79
33 Mideast	1,326.1	522.1	39.4	22.99
51 California	2,007.5	398.1	19.8	22.88
124 Pacific Northwest	614.4	136.8	22.3	23.14
126 Southwest	1,176.9	326.8	27.8	23.38
131 Arizona	407.8	114.8	28.1	24.11
All Orders	12,955.3	3,455.4	26.7	23.38



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# Market Information BULLETIN

## FO 6 & 7

Jason Nierman - Market Administrator



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Volume 23—No. 10

### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, December 2022, USDA, Economic Research Service*

### Dairy Forecasts for 2022

Dairy Forecasts for the Remainder of 2022 In the following forecast analysis, any changes discussed are adjustments from the previous month's forecasts unless otherwise specified. 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. With lower expected milk yields offsetting higher expected milk cow numbers, the annual milk production forecast for 2022 is unchanged at 227.0 billion pounds. Based on recent trade data, the 2022 dairy export forecast is revised up on a milk-equivalent milk-fat basis but is unchanged on a milk-equivalent skim-solid basis. 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. On a milk-equivalent skim-solids basis, the export forecast for 2022 remained unchanged at 52.4 billion pounds, as higher expected exports of dry skim milk products more than offset lower expected lactose exports. 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. 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 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.

### Dairy Forecasts for 2022 cont.

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. However, 2022 price forecasts for NDM and dry whey remained unchanged at \$1.680 and \$0.605 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).

### 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. 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). 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.

## COMPUTATION OF UNIFORM PRICES

### F.O. 6 - Florida: Uniform Price - November 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	85.55%	170,401,994	\$11.63 /cwt.	\$ 19,817,751.91
Class I Butterfat	52.82%	4,139,029	\$3.6774 /lb.	15,220,865.25
Class I Differential at Location		174,541,023		9,690,620.28
Total Class I Milk	<b>84.31%</b>	<b>174,541,023</b>		<b>\$ 44,729,237.44</b>
Class II Skim Milk	11.67%	23,249,136	\$13.31 /cwt.	\$ 3,094,460.00
Class II Butterfat	43.68%	3,423,279	\$3.3790 /lb.	11,567,259.75
Total Class II Milk	<b>12.88%</b>	<b>26,672,415</b>		<b>\$ 14,661,719.75</b>
Class III Skim Milk	1.55%	3,082,403	\$9.54 /cwt.	\$ 294,061.24
Class III Butterfat	2.28%	178,717	\$3.3720 /lb.	602,633.74
Total Class III Milk	<b>1.58%</b>	<b>3,261,120</b>		<b>\$ 896,694.98</b>
Class IV Skim Milk	1.23%	2,446,440	\$11.91 /cwt.	\$ 291,371.01
Class IV Butterfat	1.22%	95,479	\$3.3720 /lb.	321,955.19
Total Class IV Milk	<b>1.23%</b>	<b>2,541,919</b>		<b>\$ 613,326.20</b>
Producer Milk	<b>100.00%</b>	<b>207,016,477</b>		<b>\$ 60,900,978.37</b>

#### Adjustments

Overage and Other Source	\$ 0.00
Inventory Adjustments	-\$ 54,452.47
Producer Butterfat at Uniform Butterfat Price	-\$ 27,943,405.96
Location Adjustments	-\$ 301,745.37
1/2 Balance in Producer Settlement Fund	\$ 80,717.74

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 16.40832</b>	<b>\$ 32,682,092.31</b>
Producer Settlement Fund Reserve	<b>\$ 0.04832</b>	\$ 96,248.72

Uniform Skim Milk Price (Hillsborough County, FL):	<b>\$16.36</b> /cwt
Uniform Butterfat Price:	<b>\$3.5658</b> /lb
Uniform Price (Hillsborough County, FL):	<b>\$28.27</b> /cwt

### F.O. 7 - Southeast: Uniform Price - November 2022

#### Producer Milk

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	75.62%	222,737,012	\$11.63 /cwt.	\$ 25,904,314.50
Class I Butterfat	45.08%	5,679,913	\$3.6774 /lb.	20,887,312.07
Class I Differential at Location		228,416,925		7,261,663.09
Total Class I Milk	<b>74.36%</b>	<b>228,416,925</b>		<b>\$ 54,053,289.66</b>
Class II Skim Milk	18.58%	54,747,710	\$13.31 /cwt.	\$ 7,286,920.20
Class II Butterfat	43.58%	5,492,361	\$3.3790 /lb.	18,558,687.79
Total Class II Milk	<b>19.61%</b>	<b>60,240,071</b>		<b>\$ 25,845,607.99</b>
Class III Skim Milk	4.85%	14,293,682	\$9.54 /cwt.	\$ 1,363,617.26
Class III Butterfat	3.40%	428,663	\$3.3720 /lb.	1,445,451.64
Total Class III Milk	<b>4.79%</b>	<b>14,722,345</b>		<b>\$ 2,809,068.90</b>
Class IV Skim Milk	0.95%	2,811,364	\$11.91 /cwt.	\$ 334,833.45
Class IV Butterfat	7.94%	1,001,018	\$3.3720 /lb.	3,375,432.70
Total Class IV Milk	<b>1.24%</b>	<b>3,812,382</b>		<b>\$ 3,710,266.15</b>
Producer Milk	<b>100.00%</b>	<b>307,191,723</b>		<b>\$ 86,418,232.70</b>

#### Adjustments

Overage and Other Source	\$ 967.93
Inventory Adjustments	-\$ 137,902.80
Producer Butterfat at Uniform Butterfat Price	-\$ 44,448,355.48
Location Adjustments	\$ 1,806,717.26
1/2 Balance in Producer Settlement Fund	\$ 138,100.02

<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 14.86058</b>	<b>\$ 43,777,759.63</b>
Producer Settlement Fund Reserve	<b>\$ 0.04058</b>	\$ 119,556.02

Uniform Skim Milk Price (Fulton County, GA):	<b>\$14.82</b> /cwt
Uniform Butterfat Price:	<b>\$3.5271</b> /lb
Uniform Price (Fulton County, GA):	<b>\$26.65</b> /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: November 2022

#### Producer Milk Utilization:

Class I:	84.31%
Class II:	12.88%
Class III:	1.58%
Class IV:	1.23%

#### The Uniform Price

for Nov. 2022 was announced at \$28.27, an increase of \$5.34 from Nov. 2021.

#### Total Producer Milk

for Nov. 2022 totaled 207.0 million pounds, a decrease of 0.05 million pounds from Nov. 2021.

#### Total Class I Milk

for Nov. 2022 was 174.5 million pounds, a decrease of 1.6 million pounds from Nov. 2021.

#### Class I Utilization

for Nov. 2022 was 84.31%, a decrease of 0.74 percentage points from Nov. 2021.

### F.O. 7 - Southeast: November 2022

#### Producer Milk Utilization:

Class I:	74.36%
Class II:	19.61%
Class III:	4.79%
Class IV:	1.24%

#### The Uniform Price

for Nov. 2022 was announced at \$26.65, an increase of \$5.43 from Nov. 2021.

#### Total Producer Milk

for Nov. 2022 totaled 307.2 million pounds, a decrease of 69.3 million pounds from Nov. 2021.

#### Total Class I Milk

for Nov 2022 was 228.4 million pounds, an increase of 39.7 million pounds from Nov. 2021.

#### Class I Utilization

for Nov. 2022 was 74.36%, an increase of 3.15 percentage points from Nov. 2021.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in November 2022 is \$28.27 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$16.36 per hundredweight plus 3.5 times the uniform butterfat price of \$3.5658 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during November 2022 totaled 207.0 million pounds. Florida producers supplied 143.6 million pounds of milk in November 2022 or an estimated 69% of the producer milk pooled in Florida. In November 2021, they supplied 76% of producer milk pooled on the Florida market. There were 8 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for November 2022. Total in-area Class I route disposition was 219.4 million pounds in November 2022, a decrease of 4.3 million pounds from November 2021.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2022 is \$26.65 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.82 per hundredweight plus 3.5 times the uniform butterfat price of \$3.5271 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during November 2022 totaled 307.2 million pounds. There were 15 regulated pool distributing plants, 2 pool supply plant and 8 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2022. Total in-area Class I route disposition was 303.7 million pounds in November 2022, an increase of 25.1 million pounds from November 2021.

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## WASDE Dairy Report 1/ WASDE – 631, December 9, 2022

The milk production forecast for 2022 is unchanged from last month. The 2023 production forecast is raised slightly with both higher expected cow numbers and slightly more rapid growth in output per cow. Fat and skim-solids basis imports for 2022 are raised, driven by recent trade data and expectations of continued demand for imported cheese and butterfat products. Forecasts for 2023 fat basis and skim-solids basis imports are raised on imports of butter and milk proteins, respectively. Exports on a fat basis for 2022 and 2023 are raised on butter and casein. Exports on a skim-solids basis are raised in 2022 as higher nonfat dry milk (NDM) more than offsets lower lactose. The 2023 forecast is reduced on lower lactose shipments.

For 2022, forecasts for butter and cheese are raised on recent prices and expectations of continued strength in demand, but whey and NDM prices are unchanged. The Class III price is raised on the higher cheese price and the Class IV price is raised on the higher butter price. For 2023, the price forecasts for cheese and butter are raised as demand strength carries into 2023, but prices for NDM and whey are lowered on pressure from international markets. The higher cheese price more than offsets the lower whey price and the Class III price is raised while the Class IV price forecast is lowered, reflecting the lower NDM price. The 2022 all milk price forecast is raised to \$25.65 per cwt and the 2023 all milk price is raised to \$22.70 per cwt.

<sup>1/</sup> The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).

# Federal Milk Marketing Order Statistics

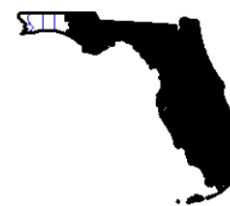
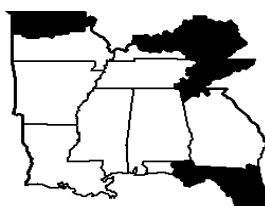
November 2022

Federal Order	Producer Deliveries <i>Million Pounds</i>	Class I Producer Receipts <i>Million Pounds</i>	Class I Utilization <i>Percent</i>	Statistical Uniform Price <i>\$/cwt</i>
1 Northeast	2,178.9	677.4	31.1	24.27
5 Appalachian	441.8	334.8	75.8	26.24
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



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