

Market Information BULLETIN



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, 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 |
| Total Butterfat | 100.00% | 15,476,016 | | \$ 34,570,324.54 |
| Uniform Butterfat Price per lb. (Fulton County, Georgia): | | | | \$2.2338 |

Calculation of Uniform Skim Milk Price:

| | <u>Utilization</u> | <u>Pounds</u> | <u>Price per unit</u> | <u>Value</u> |
|---|--------------------|--------------------|-----------------------|-------------------------|
| Producer Milk | | | | |
| 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 |
| Total Class I Milk | 69.97% | 267,519,103 | | \$ 54,362,590.46 |
| 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 |
| Total Class II Milk | 17.53% | 67,031,653 | | \$ 23,220,417.23 |
| 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 |
| Total Class III Milk | 6.77% | 25,869,824 | | \$ 4,405,585.48 |
| 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 |
| Total Class IV Milk | 5.73% | 21,906,434 | | \$ 5,522,884.80 |
| Producer Milk | 100.00% | 382,327,014 | | \$ 87,511,477.97 |
| 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 |
| Adjusted Pool Value | | | \$ 15.03963 | \$55,173,034.06 |
| Reserve for Producer Settlement Fund | | | \$ 0.04963 | \$182,069.47 |

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% |
| Southeast (Atlanta) | \$ 22.97 | \$ 23.51 | \$ 21.22 | \$ 22.28 | 69.97% |
| 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**

| Receipts: | Dec 2021 | Dec 2020 |
|--|--------------------|--------------------|
| Producer Milk | | |
| 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 | 382,327,014 | 410,121,572 |
| 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 |
| Other Source Milk | | |
| 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 | 21,671,219 | 17,308,070 |
| Overage | | |
| Class I | 0 | 0 |
| Class II | 1,002 | 6,155 |
| Class III | 324,075 | 0 |
| Class IV | 10,316 | 7,994 |
| Total Overage | 335,393 | 14,149 |
| Opening Inventory | | |
| 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 | 42,652,910 | 41,013,284 |
| Total Receipts | 446,986,536 | 468,457,075 |
| Utilization: | | |
| Class I Utilization | | |
| 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 | 298,941,199 | 303,916,027 |
| Average Butterfat Test | 2.44% | 2.42% |
| Daily Average Utilization | 9,643,264 | 9,803,743 |
| Class II Utilization | | |
| 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 | 71,427,935 | 71,503,564 |
| Average Butterfat Test | 10.56% | 8.93% |
| Class III Utilization | | |
| 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 | 35,289,178 | 35,089,228 |
| Average Butterfat Test | 2.57% | 3.99% |
| Class IV Utilization | | |
| 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 | 41,328,224 | 57,948,256 |
| Average Butterfat Test | 6.30% | 9.05% |
| Total Utilization | 446,986,536 | 468,457,075 |

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 |
|--|--------------------|----------------|
| <u>November 2021</u> | | |
| 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% |
| Total Disposition in Marketing Area | 328,828,804 | 100.00% |
| Total Disposition by Pool Plants | 227,612,911 | 69.22% |
| Total Disposition by Nonpool Plants | 101,215,893 | 30.78% |
| Total Disposition in Marketing Area | 328,828,804 | 100.00% |

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

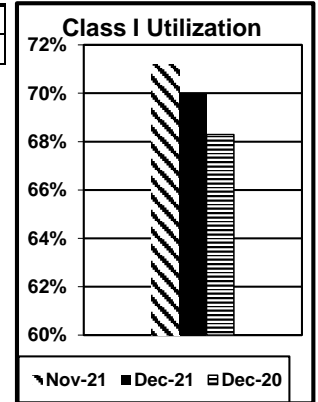
Milk production was marginally lower, by .07 percent, from a year earlier during the three-month period September through November. U.S. milk production has been steadily growing for decades, but production growth has actually been negative, on average, during one out of every six rolling three-month 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.

^{1/} 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/.

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