

# Market Information BULLETIN

## FO 6 & 7

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### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, January 15, 2025, USDA, Economic, Research Service*

### Dairy Forecast for 2025

Following recent milk cow average inventory data, the forecast for the average number of cows has been lowered for the first half of the year. However, the national milking herd is projected to average 9.390 million head in 2025, unchanged from last month's forecast when accounting for rounding. The forecast for milk per cow has been reduced by 85 pounds to 24,200 pounds. This reduction in forecasts reflects, in part, the lower-than-expected milk per cow in the fourth quarter of 2024 but also the expectation that the growth in milk components will likely balance out the lower-than-average growth in milk per cow.

With lower forecasts for dairy inventory as well as milk per cow, milk production for 2025 is forecast at 227.2 billion pounds, about 0.8 billion pounds less than the previous forecast. NASS will issue its Cattle report on January 31 that will include milk cow inventory data along with dairy replacement heifer numbers. The report will give insight into the current state of the herd and will inform the outlook for much of 2025.

While higher imports are expected for butter and cheese, lower imports are expected for casein products and milk protein concentrate.

As domestic prices for butter and cheese are expected to remain competitive in world markets, the 2025 dairy export forecast on a milk-fat basis has been raised 0.2 billion pounds to 11.9 billion. Conversely, the lack of price competitiveness for dry whey and nonfat dry milk is expected to further limit dairy exports. Consequently, the 2025 dairy export forecast on a skim solids basis has been revised downward to 49.1 (-0.40) billion pounds.

With a lowered forecast for milk production and higher projected prices for dairy products, the 2025 forecasts for domestic use are adjusted downward relative to last month's projection. On a skim-solids basis, domestic disappearance has been lowered by 1.0 billion pounds to 184.1 billion pounds. On a milk-fat basis, 2025 domestic disappearance is forecast at 223.8 billion pounds, 1.3 billion pounds lower than the last forecast.

Wholesale price forecasts for Cheddar cheese, dry whey, butter, and NDM have been raised to \$1.865 (+6.5 cents), \$0.640 (+4.5 cents), \$2.695 (+1.0 cents), and \$1.340 (+4.0 cents) per pound, respectively.

The all milk price for 2025 is now forecast at \$23.05, up \$0.50 cents from last month's forecast.

### Dairy Estimates for 2024

Fourth-quarter and annual supply and use numbers in this report reflect Interagency Commodity Estimates Committee expectations because inventory, production, and trade data for December are not yet available.

Based on recent milk cow inventory and milk production data, the 2024 estimates for the average number of milk cows, milk per cow, and milk production have been lowered from the previous forecast by 5,000 head, 50 pounds per cow, and 0.5 billion pounds, respectively. With these changes, the new 2024 estimates for these production projections are: 9.340 million head for the average number of milk cows, 24,170 pounds for milk per cow, and 225.8 billion pounds for milk production.

The estimate for 2024 ending stocks on a milk-fat basis has been decreased to 13.2 (-0.5) billion pounds, but the estimate on a skim-solids basis has been increased to 9.9 (+0.1) billion pounds. The estimates for 2024 domestic use have been adjusted to reflect recent data. On a milk-fat basis, the estimate for domestic use is 223.0 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the estimate for 2024 domestic use is 182.4 billion pounds, 0.4 billion lower than the previous forecast.

While most dairy supply and use data are not yet available for December, complete 2024 prices data are available except for the all-milk price. For the year, the average wholesale prices for Cheddar cheese, dry whey, butter, and nonfat dry milk (NDM) were \$ 1.8634, \$ 0.4913, \$ 2.8870, and \$ 1.2420 per pound, respectively. Class III and IV milk prices averaged \$18.89 and \$20.75 per hundredweight (cwt), respectively. The all-milk price estimate for 2024 is \$22.60 per cwt, 5 cents lower from last month's forecast.

### USDA Final Rule on Amendments of the Federal Milk Marketing Orders

On January 16, 2025, the U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) announced a final rule amending the uniform pricing formulas applicable in all 11 Federal milk marketing orders (FMMOs). The final rule was made available for viewing on Jan. 16, 2025, in the <https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing> webpage. It will be published in the Federal Register on January 17, 2025.

Copies of the final rule, educational materials and the entire hearing record can be found on the hearing webpage or obtained from USDA/AMS/Dairy Program; STOP 0225 - Rm. 2530; 1400 Independence Ave. SW, Washington, DC 20250-0225. Questions can be submitted to [fmmohearing@usda.gov](mailto:fmmohearing@usda.gov).

**COMPUTATION OF UNIFORM PRICES**

**F.O. 6 - Florida: Uniform Price - December 2024**

<b>Producer Milk</b>				
	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	81.31%	169,059,839	\$10.98 /cwt.	\$ 18,562,770.32
Class I Butterfat	48.82%	4,275,230	\$3.0941 /lb.	13,227,989.15
Class I Differential at Location		173,335,069		9,618,814.63
<b>Total Class I Milk</b>	<b>80.00%</b>	<b>173,335,069</b>		<b>\$ 41,409,574.10</b>
Class II Skim Milk	14.69%	30,542,804	\$11.47 /cwt.	\$ 3,503,259.61
Class II Butterfat	44.92%	3,932,949	\$2.9174 /lb.	11,473,985.41
<b>Total Class II Milk</b>	<b>15.91%</b>	<b>34,475,753</b>		<b>\$ 14,977,245.02</b>
Class III Skim Milk	2.54%	5,291,239	\$8.74 /cwt.	\$ 462,454.29
Class III Butterfat	2.79%	243,931	\$2.9104 /lb.	709,936.77
<b>Total Class III Milk</b>	<b>2.55%</b>	<b>5,535,170</b>		<b>\$ 1,172,391.06</b>
Class IV Skim Milk	1.46%	3,026,784	\$10.94 /cwt.	\$ 331,130.17
Class IV Butterfat	3.47%	303,645	\$2.9104 /lb.	883,728.40
<b>Total Class IV Milk</b>	<b>1.54%</b>	<b>3,330,429</b>		<b>\$ 1,214,858.57</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>216,676,421</b>		<b>\$ 58,774,068.75</b>
<b>Adjustments</b>				
Overage and Other Source				\$ 45,420.58
Inventory Adjustments				-\$ 17,536.86
Producer Butterfat at Uniform Butterfat Price				-\$ 26,533,439.95
Location Adjustments				-\$ 298,278.73
1/2 Balance in Producer Settlement Fund				\$ 73,508.14
<b>Total Skim Milk and Aggregate Value</b>			<b>\$ 15.41152</b>	<b>\$ 32,043,741.93</b>
Producer Settlement Fund Reserve			<b>\$ 0.04152</b>	\$ 86,335.56
<b>Uniform Skim Milk Price (Hillsborough County, FL):</b>			<b>\$15.37 /cwt</b>	
<b>Uniform Butterfat Price:</b>			<b>\$3.0304 /lb</b>	
<b>Uniform Price (Hillsborough County, FL):</b>			<b>\$25.44 /cwt</b>	

**F.O. 7 - Southeast: Uniform Price -December 2024**

<b>Producer Milk</b>				
	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	79.01%	225,258,579	\$10.98 /cwt.	\$ 24,733,391.96
Class I Butterfat	46.21%	5,953,825	\$3.0941 /lb.	18,421,729.95
Class I Differential at Location		231,212,404		7,363,555.62
<b>Total Class I Milk</b>	<b>77.59%</b>	<b>231,212,404</b>		<b>\$ 50,518,677.53</b>
Class II Skim Milk	12.20%	34,785,932	\$11.47 /cwt.	\$ 3,989,946.40
Class II Butterfat	35.22%	4,537,282	\$2.9174 /lb.	13,237,066.51
<b>Total Class II Milk</b>	<b>13.20%</b>	<b>39,323,214</b>		<b>\$ 17,227,012.91</b>
Class III Skim Milk	5.25%	14,957,403	\$8.74 /cwt.	\$ 1,307,277.03
Class III Butterfat	6.14%	791,608	\$2.9104 /lb.	2,303,895.90
<b>Total Class III Milk</b>	<b>5.29%</b>	<b>15,749,011</b>		<b>\$ 3,611,172.93</b>
Class IV Skim Milk	3.54%	10,085,541	\$10.94 /cwt.	\$ 1,103,358.18
Class IV Butterfat	12.43%	1,600,934	\$2.9104 /lb.	4,659,358.32
<b>Total Class IV Milk</b>	<b>3.92%</b>	<b>11,686,475</b>		<b>\$ 5,762,716.50</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>297,971,104</b>		<b>\$ 77,119,579.87</b>
<b>Adjustments</b>				
Overage and Other Source				\$ 3,641.11
Inventory Adjustments				-\$ 21,272.94
Producer Butterfat at Uniform Butterfat Price				-\$ 38,811,992.61
Location Adjustments				\$ 2,007,842.44
1/2 Balance in Producer Settlement Fund				\$ 112,622.96
<b>Total Skim Milk and Aggregate Value</b>			<b>\$ 14.17474</b>	<b>\$ 40,410,420.83</b>
Producer Settlement Fund Reserve			<b>\$ 0.04474</b>	\$ 127,563.44
<b>Uniform Skim Milk Price (Fulton County, GA):</b>			<b>\$14.13 /cwt</b>	
<b>Uniform Butterfat Price:</b>			<b>\$3.0125 /lb</b>	
<b>Uniform Price (Fulton County, GA):</b>			<b>\$24.18 /cwt</b>	

**POOL HIGHLIGHTS**

**F.O. 6 - Florida: December 2024**

**Producer Milk Utilization:**

Class I:	80.00%
Class II:	15.91%
Class III:	2.55%
Class IV:	1.54%

**The Uniform Price**  
for December 2024 was announced at \$25.44, an increase of \$1.82 from December 2023.

**Total Producer Milk**  
for December 2024 totaled 216.7 million pounds, an increase of 4.1 million pounds from December 2023.

**Total Class I Milk**  
for December 2024 was 173.3 million pounds, an decrease of 3.4 million pounds from December 2023.

**Class I Utilization**  
for December 2024 was 80.00%, an decrease of 3.2 percentage points from December 2023.

**F.O. 7 - Southeast: December 2024**

**Producer Milk Utilization:**

Class I:	77.59%
Class II:	13.20%
Class III:	5.29%
Class IV:	3.92%

**The Uniform Price**  
for December 2024 was announced at \$24.18 a increase of \$2.17 from December 2023.

**Total Producer Milk**  
for December 2024 totaled 298.0 million pounds, a decrease of 11.0 million pounds from December 2023.

**Total Class I Milk**  
for December 2024 was 231.2 million pounds, an increase of 7.1 million pounds from December 2023.

**Class I Utilization**  
for December 2024 was 77.59%, an increase of 5.04 percentage points from December 2023.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in December 2024 is \$25.44 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$15.37 per hundred weight plus 3.5 times the uniform butterfat price of \$3.0304 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during Dec. 2024 totaled 216.7 million pounds. Florida producers supplied 164.2 million pounds of milk in December 2024 or an estimated 75.80% of producer milk pooled in Florida. In Dec. 2023, they supplied approximately 77.10% of producer milk pooled on the Florida market. There were 7 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for December 2024. Total in-area Class I route disposition was 220.3 million pounds in December 2024, a decrease of 1.8 million pounds from December 2023.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2024 is \$24.18 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.13 per hundredweight plus 3.5 times the uniform butterfat price of \$3.0125 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during December 2024 totaled 297.9 million pounds. There were 15 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 December 2024. Total in-area Class I route disposition was 313.0 million pounds in December 2024, an increase of 6.3 million pounds from December 2023.

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## WASDE Dairy Report <sup>1/</sup> WASDE – 656, January 10, 2025

Milk production for 2024 is lower from last month, with lower milk cow inventories and lower expected milk per cow based on the most recent Milk Production report. The 2025 production forecast is also lowered due to slower growth in output per cow. USDA's Cattle report will provide an indication of producer intentions for retaining dairy heifers for addition to the milking herd.

Fat-based imports for 2024 are higher based on recent trade data. Skim-solids basis imports for 2024 are unchanged. Fat basis imports for 2025 are raised on higher expected cheese and butter imports. Skim-solid basis imports for 2025 are lowered based on lower expected casein and milk protein concentrate. Exports on a fat basis are higher for both 2024 and 2025 on recent trade data and higher expected shipments of butter and cheese due to the U.S. price competitiveness of butter and cheese. Exports on a skim-solids basis are lowered for both 2024 and 2025 on recent trade data and less competitive U.S. nonfat dry milk (NDM) and whey.

For 2024, product and Class price estimates are adjusted to reflect reported prices. For 2025, prices for cheese, butter, NDM, and whey are all expected to be higher due to less milk production and supportive demand. The Class III price is raised, with higher cheese and whey prices. Class IV prices are also raised, due to higher butter and NDM price forecasts. The 2024 all milk price forecast is lowered to \$22.60 per cwt and the 2025 all milk price is raised to \$23.05 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/).

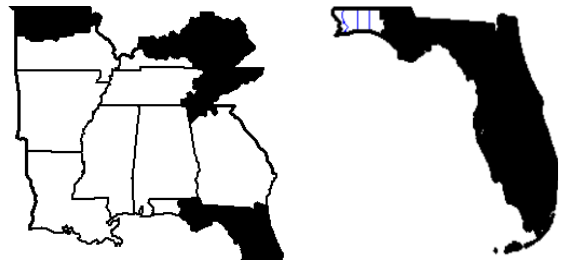
## Federal Milk Marketing Order Statistics

**December 2024**

Federal Order	Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price <sup>1</sup>
	Million Pounds	Million Pounds	Percent	\$/cwt
1 Northeast	2,274.0	674.7	29.7	21.47
5 Appalachian	462.8	318.9	68.9	23.43
6 Florida	216.7	173.3	80.0	25.44
7 Southeast	298.0	231.2	77.6	24.18
30 Upper Midwest	2,077.8	162.9	7.9	18.98
32 Central	1,169.7	362.6	31.0	19.95
33 Mideast	1,533.4	617.8	40.3	20.51
51 California	1,776.7	413.1	23.3	19.99
124 Pacific Northwest	580.9	128.7	22.2	19.94
126 Southwest	1,116.5	328.9	29.5	20.55
131 Arizona	333.9	117.9	35.3	21.12
All Orders <sup>1</sup>	11,840.3	3,529.9	29.8	20.58

<sup>1</sup> Weighted average uniform price at 3.5% butterfat at announced locations.

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