

# Market Information BULLETIN

## FO 6 & 7

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### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook,  
February 14, 2024, USDA, Economic, Research Service*

### 2024 Dairy Forecasts:

The 2024 dairy herd size forecast has been revised upwards by 5,000 head, totaling 9,355 thousand for the year, due to higher expected milk cow numbers in the second half of the year. This small increase in the number of cows is attributed to higher expected milk prices early in the year, as milk production usually responds to changes in milk and feed prices with a lag of several months. Even with the higher forecast for milk cow numbers, they are still expected to be lower than 2023. Recent slaughter trends, together with tight replacement heifer inventories and high reported prices for dairy heifers, suggest a year-over-year decline for the dairy herd in 2024 despite lower expected feed costs, improved milk prices, and robust demand for dairy products. The forecast yield per cow is reduced by 20 pounds to 24,395 pounds based on recent data. As a result, the revised milk production forecast for 2024 is 228.2 billion pounds, a decrease of 0.1 billion from the previous month's estimate.

On a milk-fat basis, dairy import forecasts in 2024 have been lowered to 7.4 billion pounds (-0.1 billion). However, on a skim-milk basis, imports remained unchanged at 6.4 billion pounds. Notable declines in import volumes of cheese, infant formula, canned milk, lactose, and yogurt are projected for 2024. Conversely, casein imports are anticipated to increase.

The 2024 dairy export forecast on a milk-fat basis has been raised 0.1 billion pounds to 11.7 billion as export prices for cheese and butter are expected to be competitive in the international markets. The export forecast on a skim-solids basis is lowered to 51.9 billion pounds (-1.3 billion). Compared to 2023, in 2024, higher export shipments are forecast for cheese, butterfat products, whey products and lactose, while canned milk and yogurt are projected lower.

The 2024 forecast for domestic disappearance has been revised upward from last month's projection following higher-than-expected domestic use in the last quarter of 2023. On a milk-fat basis, domestic use increased by 1.0 billion pounds, bringing the total to 224.7 billion pounds. On a skim-solids basis, domestic use is increased by 1.7 billion pounds, totaling 182.0 billion pounds. Ending stocks are expected to decline further in 2024, following the downward trend from 2023. Due to recent price increases, lower inventories, and higher expected domestic demand, the price forecasts for the main dairy products have been revised upwards. The adjusted forecasts, in dollars per pound, are as follows: Cheddar cheese at \$1.690 (+7.0 cents), dry whey at \$0.480 (+5.0 cents), butter at \$2.770 (+10.5 cents), and NDM at \$1.235 (+4.5 cents). With higher cheese and dry whey prices, the new forecast for Class III milk is \$17.10 per cwt, \$1.00 higher than the previous forecast. With higher butter and NDM price forecasts, the Class IV price forecast has been raised to \$20.20 per cwt, \$0.85 higher than the previous projection. The all-milk price for 2024 is now forecast at \$20.95 per cwt, up \$0.95 from last month's forecast.

**COMPUTATION OF UNIFORM PRICES**

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

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	83.93%	185,103,957	\$8.24 /cwt.	\$ 15,252,566.06
Class I Butterfat	48.53%	4,420,384	\$3.0091 /lb.	13,301,377.50
Class I Differential at Location		189,524,341		10,499,975.81
<b>Total Class I Milk</b>	<b>82.52%</b>	<b>189,524,341</b>		<b>\$ 39,053,919.37</b>
Class II Skim Milk	13.90%	30,658,612	\$9.95 /cwt.	\$ 3,050,531.91
Class II Butterfat	45.50%	4,144,201	\$2.9835 /lb.	12,364,223.69
<b>Total Class II Milk</b>	<b>15.16%</b>	<b>34,802,813</b>		<b>\$ 15,414,755.60</b>
Class III Skim Milk	1.55%	3,410,242	\$4.92 /cwt.	\$ 167,783.91
Class III Butterfat	2.11%	192,585	\$2.9765 /lb.	573,229.27
<b>Total Class III Milk</b>	<b>1.57%</b>	<b>3,602,827</b>		<b>\$ 741,013.18</b>
Class IV Skim Milk	0.62%	1,363,054	\$9.30 /cwt.	\$ 126,764.02
Class IV Butterfat	3.86%	351,190	\$2.9765 /lb.	1,045,317.04
<b>Total Class IV Milk</b>	<b>0.75%</b>	<b>1,714,244</b>		<b>\$ 1,172,081.06</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>229,644,225</b>		<b>\$ 56,381,769.21</b>
<b>Adjustments</b>				
Overage and Other Source				\$ 0.00
Inventory Adjustments				-\$ 84,941.33
Producer Butterfat at Uniform Butterfat Price				-\$ 27,530,018.10
Location Adjustments				-\$ 275,836.16
1/2 Balance in Producer Settlement Fund				\$ 92,644.24
<b>Total Skim Milk and Aggregate Value</b>			<b>\$ 12.96098</b>	<b>\$ 28,583,617.86</b>
Producer Settlement Fund Reserve			<b>\$ 0.04098</b>	\$ 90,384.11
<b>Uniform Skim Milk Price (Hillsborough County, FL):</b>			<b>\$12.92</b> /cwt	
<b>Uniform Butterfat Price:</b>			<b>\$3.0225</b> /lb	
<b>Uniform Price (Hillsborough County, FL):</b>			<b>\$23.05</b> /cwt	

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

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	77.84%	238,592,971	\$8.24 /cwt.	\$ 19,660,060.80
Class I Butterfat	43.09%	5,889,491	\$3.0091 /lb.	17,722,067.37
Class I Differential at Location		244,482,462		7,777,288.32
<b>Total Class I Milk</b>	<b>76.37%</b>	<b>244,482,462</b>		<b>\$ 45,159,416.49</b>
Class II Skim Milk	14.45%	44,282,161	\$9.95 /cwt.	\$ 4,406,075.03
Class II Butterfat	38.51%	5,261,504	\$2.9835 /lb.	15,697,697.17
<b>Total Class II Milk</b>	<b>15.47%</b>	<b>49,543,665</b>		<b>\$ 20,103,772.20</b>
Class III Skim Milk	5.55%	16,995,805	\$4.92 /cwt.	\$ 836,193.62
Class III Butterfat	5.68%	775,660	\$2.9765 /lb.	2,308,751.98
<b>Total Class III Milk</b>	<b>5.55%</b>	<b>17,771,465</b>		<b>\$ 3,144,945.60</b>
Class IV Skim Milk	2.16%	6,634,467	\$9.30 /cwt.	\$ 617,005.45
Class IV Butterfat	12.72%	1,737,749	\$2.9765 /lb.	5,172,409.90
<b>Total Class IV Milk</b>	<b>2.61%</b>	<b>8,372,216</b>		<b>\$ 5,789,415.35</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>320,169,808</b>		<b>\$ 74,197,549.64</b>
<b>Adjustments</b>				
Overage and Other Source				\$ 2,145.88
Inventory Adjustments				-\$ 61,959.34
Producer Butterfat at Uniform Butterfat Price				-\$ 41,087,496.39
Location Adjustments				\$ 2,191,635.36
1/2 Balance in Producer Settlement Fund				\$ 126,700.10
<b>Total Skim Milk and Aggregate Value</b>			<b>\$ 11.53930</b>	<b>\$ 35,368,575.25</b>
Producer Settlement Fund Reserve			<b>\$ 0.04930</b>	\$ 151,104.34
<b>Uniform Skim Milk Price (Fulton County, GA):</b>			<b>\$11.49</b> /cwt	
<b>Uniform Butterfat Price:</b>			<b>\$3.0069</b> /lb	
<b>Uniform Price (Fulton County, GA):</b>			<b>\$21.61</b> /cwt	

**POOL HIGHLIGHTS**

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

**Producer Milk Utilization:**

Class I:	82.52%
Class II:	15.16%
Class III:	1.57%
Class IV:	0.75%

**The Uniform Price**  
for Jan. 2024 was announced at \$23.05, a decrease of \$3.02 from Jan. 2023.

**Total Producer Milk**  
for Jan. 2024 totaled 229.6 million pounds, an increase of 2.0 million pounds from Jan. 2023

**Total Class I Milk**  
for Jan. 2024 was 189.5 million pounds, an increase of 0.7 million pounds from Jan. 2023.

**Class I Utilization**  
for Jan. 2024 was 82.52%, a decrease of 0.41 percentage points from Jan. 2023.

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

**Producer Milk Utilization:**

Class I:	76.37%
Class II:	15.47%
Class III:	5.55%
Class IV:	2.61%

**The Uniform Price**  
for Jan. 2024 was announced at \$21.61 a decrease of \$2.88 from Jan. 2023.

**Total Producer Milk**  
for Jan. 2024 totaled 320.2 million pounds, a decrease of 1.8 million pounds from Jan. 2023.

**Total Class I Milk**  
for Jan. 2024 was 244.5 million pounds, an increase of 6.7 million pounds from Jan. 2023.

**Class I Utilization**  
for Jan. 2024 was 76.37%, an increase of 2.53 percentage points from Jan. 2023.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in January 2024 is \$23.05 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$12.92 per hundredweight plus 3.5 times the uniform butterfat price of \$3.0225 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during January 2024 totaled 229.6 million pounds. Florida producers supplied 178.5 million pounds of milk in January 2024 or an estimated 77.7% of the producer milk pooled in Florida. In January 2023, they supplied approximately 78.0% of the 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 January 2024. Total in-area Class I route disposition was 240.6 million pounds in January 2024, an increase of 5.5 million pounds from January 2023.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2024 is \$21.61 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.49 per hundredweight plus 3.5 times the uniform butterfat price of \$3.0069 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during January 2024 totaled 320.2 million pounds. There were 15 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 January 2024. Total in-area Class I route disposition was 326.0 million pounds in January 2024, an increase of 6.8 million pounds from January 2023.

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## WASDE Dairy Report <sup>1/</sup> WASDE – 645, February 8, 2024

Milk supply and use estimates for 2023 are adjusted to reflect December domestic and trade data.

For 2024, milk production is lowered due to lower expected output per cow, which is partly offset by higher cow inventories. On a fat basis, domestic use is raised as a more rapid pace of disappearance during the fourth quarter of 2023 carries over into 2024. Fat basis exports are raised, based on higher expected butter and cheese exports, as the United States is expected to be competitive on the international market for those products. Fat basis imports are lowered. Skim-solids basis domestic use is also raised based on higher-than-expected disappearance in fourth-quarter 2023. Skim-solids basis exports are lowered to reflect the strength of domestic prices as domestic demand is stronger. Cheese, butter, nonfat dry milk (NDM) and whey prices for 2024 are all raised based on recent price strength, tighter supplies of milk, and stronger domestic use. Class III and Class IV prices in 2024 are also raised based on higher product prices. The all milk price estimate for 2023 is reduced to \$20.48 per cwt based on reported data through December. The all milk price forecast for 2024 is raised to \$20.95 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

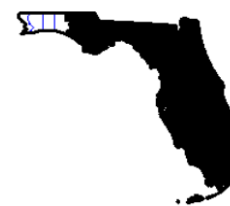
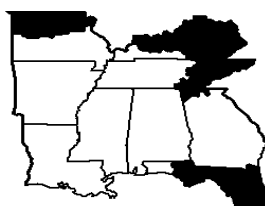
January 2024

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 <sup>1</sup> <i>\$/cwt</i>
1 Northeast	2,256.2	691.2	30.7	19.31
5 Appalachian	475.2	344.5	72.5	21.10
6 Florida	229.6	189.5	82.5	23.05
7 Southeast	320.2	244.5	76.4	21.61
30 Upper Midwest	2,626.3	169.0	6.5	15.59
32 Central	1,289.9	402.1	31.2	17.24
33 Mideast	1,494.9	628.3	42.0	17.90
51 California	2,073.9	417.4	20.1	16.81
124 Pacific Northwest	608.7	134.1	22.0	17.39
126 Southwest	1,087.1	352.2	32.4	17.73
131 Arizona	451.6	127.4	28.2	18.81
<b>All Orders</b>	<b>12,916.6</b>	<b>3,700.1</b>	<b>28.6</b>	<b>17.73</b>

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



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