

# The Market Administrator's Monthly Newsletter

Appalachian, Florida, and Southeast Marketing Areas  
February 2026

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Federal Order No. 5, 6 & 7

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## January Statistical Uniform Price

The January 2026 statistical uniform price for the Appalachian Marketing Area was announced at \$20.32 per hundredweight at the base zone of Mecklenburg County, North Carolina, the pricing point for FO 5.

The January 2026 statistical uniform price for the Florida Marketing Area was announced at \$21.30 per hundredweight at the base zone of Hillsborough County, Florida, the pricing point for FO 6.

The January 2026 statistical uniform price for the Southeast Marketing Area was announced at \$20.79 per hundredweight at the base zone of Fulton County, Georgia, the pricing point for FO 7.

## Class I Insights for F.O. 5, 6, & 7

In January, the Appalachian Marketing Area reported 341.9 million pounds of Class I producer milk, representing 78.06% of total producer receipts. In-area Class I route disposition totaled 280.1 million pounds in FO 5. The Florida Marketing Area had 189.2 million pounds of Class I producer milk, accounting for 81.27% of receipts. Total in-area Class I route disposition was 229.6 million pounds. The Southeast Marketing Area reported 220.5 million pounds of Class I producer milk, or 82.14% of receipts. FO 7 in-area Class I route disposition totaled 320.2 million pounds. The consistently high Class I utilization across these areas highlights the region's continued reliance on fluid milk sales as a key driver of the market.

## Product Prices Effect

Commodity prices for January primarily decreased slightly on a per-pound basis: butter price fell \$0.10, nonfat dry milk price increased by \$0.04, the cheese price decreased by \$0.13, while dry whey gained \$0.01, all on a per pound basis. The Class I price for January decreased by \$1.86. The Class I prices for the Appalachian, Florida and Southeast Orders were: \$21.95/cwt, \$23.15/cwt, and \$22.15/cwt, respectively.

### Pool Summary

Total Producers pooled:

- FO 5: 956
- FO 6: 67
- FO 7: 613

Pooled milk pounds total:

- FO 5: 438.0 million
- FO 6: 232.8 million
- FO 7: 268.4 million

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### UPCOMING PRICE RELEASE DATES:

#### March 2026 Prices

Class Prices: 04/01/26

#### April 2026 Prices

Advanced Prices: 3/18/26

# Appalachian Statistical Summary

## January 2026

**JANUARY 2026****DECEMBER 2025****JANUARY 2025****PRICES: (Base Zone)**

Uniform Price	20.32	21.80	23.26
Class I Price	21.95	23.81	23.78
Class II Price	13.92	14.41	21.58
Class III Price	14.59	15.86	20.34
Class IV Price	13.55	13.64	20.73
Uniform Skim Milk Price	15.48	16.59	13.38
Class I Skim Milk Price	16.77	18.34	13.89
Class II Skim Milk Price	9.13	9.19	11.65
Class III Skim Milk Price	9.85	10.72	10.39
Class IV Skim Milk Price	8.77	8.42	10.80
Uniform Butterfat Price	1.5390	1.6540	2.9557
Class I Butterfat Price	1.6481	1.7474	2.9647
Class II Butterfat Price	1.4595	1.5831	2.9530
Class III Butterfat Price	1.4525	1.5761	2.9460
Class IV Butterfat Price	1.4525	1.5761	2.9460
Class I ESL Adjustment	\$-0.17	-\$0.91	N/A

**PRODUCER MILK:**

Class I	341,913,244	333,403,822	342,608,883
Class II	52,868,184	58,262,485	56,091,634
Class III	22,242,060	23,462,647	26,493,633
Class IV	20,970,644	22,745,375	24,743,926
<b>Total Producer Milk</b>	<b>437,994,132</b>	<b>437,874,329</b>	<b>449,938,076</b>

**PERCENT PRODUCER MILK IN:**

Class I	78.06	76.14	76.15
Class II	12.07	13.31	12.47
Class III	5.08	5.36	5.89
Class IV	4.79	5.19	5.49

Effective June 2025, the Class I skim milk price is announced at the higher of the advanced Class III and IV skim milk pricing factors plus the base zone (Mecklenburg County, NC) differential of \$5.60 and is subject to location adjustments.

Effective June 2025, the Class I Extended Shelf Life (ESL) Adjustment for ESL products is equal to the average of the advanced Class III and Class IV skim pricing factors less the higher of the advanced Class III and Class IV skim pricing factors plus a 24-month rolling average adjuster with a 12-month lag.

## Florida Statistical Summary

### January 2026

	JANUARY 2026	DECEMBER 2025	JANUARY 2025
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$21.30	\$23.16	\$25.04
Class I Price	23.15	25.01	25.78
Class II Price	13.92	14.41	21.58
Class III Price	14.59	15.86	20.34
Class IV Price	13.55	13.64	20.73
Uniform Skim Milk Price	\$16.43	\$17.92	\$15.18
Class I Skim Milk Price	17.97	19.54	15.89
Class II Skim Milk Price	9.13	9.19	11.65
Class III Skim Milk Price	9.85	10.72	10.39
Class IV Skim Milk Price	8.77	8.42	10.80
Uniform Butterfat Price	\$1.5563	\$1.6749	\$2.9681
Class I Butterfat Price	1.6601	1.7594	2.9847
Class II Butterfat Price	1.4595	1.5831	2.9530
Class III Butterfat Price	1.4525	1.5761	2.9460
Class IV Butterfat Price	1.4525	1.5761	2.9460
Class I ESL Adjustment	-\$0.17	-\$0.91	N/A
 <b>PRODUCER MILK:</b>			
Class I	189,201,088	180,640,552	188,849,606
Class II	37,480,800	32,728,485	32,001,059
Class III	1,536,680	1,763,685	5,195,649
Class IV	4,578,034	2,395,241	992,670
<b>Total Producer Milk</b>	<b>232,796,602</b>	<b>217,527,963</b>	<b>227,038,984</b>
 <b>PERCENT PRODUCER MILK IN:</b>			
Class I	81.27	83.04	83.18
Class II	16.10	15.05	14.09
Class III	0.66	0.81	2.29
Class IV	1.97	1.10	0.44

Effective June 2025, the Class I skim milk price is announced at the higher of the advanced Class III and IV skim milk pricing factors plus the base zone (Hillsborough County, FL) differential of \$6.80 and is subject to location adjustments.

Effective June 2025, the Class I Extended Shelf Life (ESL) Adjustment for ESL products is equal to the average of the advanced Class III and Class IV skim pricing factors less the higher of the advanced Class III and Class IV skim pricing factors plus a 24-month rolling average adjuster with a 12-month lag.

## Southeast Statistical Summary

### January 2026

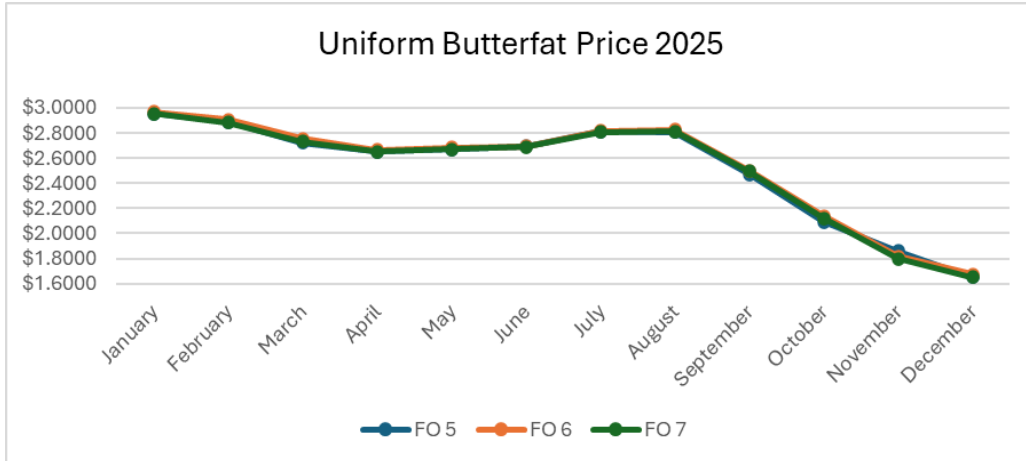
	JANUARY 2026	DECEMBER 2025	JANUARY 2025
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$20.79	\$21.89	\$23.79
Class I Price	22.15	24.01	24.18
Class II Price	13.92	14.41	21.58
Class III Price	14.59	15.86	20.34
Class IV Price	13.55	13.64	20.73
Uniform Skim Milk Price	\$15.95	\$16.69	\$13.93
Class I Skim Milk Price	16.97	18.54	14.29
Class II Skim Milk Price	9.13	9.19	11.65
Class III Skim Milk Price	9.85	10.72	10.39
Class IV Skim Milk Price	8.77	8.42	10.80
Uniform Butterfat Price	\$1.5434	\$1.6532	\$2.9557
Class I Butterfat Price	1.6501	1.7494	2.9687
Class II Butterfat Price	1.4595	1.5831	2.9530
Class III Butterfat Price	1.4525	1.5761	2.9460
Class IV Butterfat Price	1.4525	1.5761	2.9460
Class I ESL Adjustment	-\$0.17	-\$0.91	N/A
 <b>PRODUCER MILK:</b>			
Class I	220,479,330	223,440,037	241,831,060
Class II	31,453,337	38,292,996	42,176,369
Class III	3,420,760	4,118,582	8,125,710
Class IV	13,080,079	28,402,810	11,154,948
<b>Total Producer Milk</b>	<b>268,433,506</b>	<b>294,254,425</b>	<b>303,288,087</b>
 <b>PERCENT PRODUCER MILK IN:</b>			
Class I	82.14	75.94	79.73
Class II	11.72	13.01	13.91
Class III	1.27	1.40	2.68
Class IV	4.87	9.65	3.68

Effective June 2025, the Class I skim milk price is announced at the higher of the advanced Class III and IV skim milk pricing factors plus the base zone (Fulton County, GA) differential of \$5.80 and is subject to location adjustments.

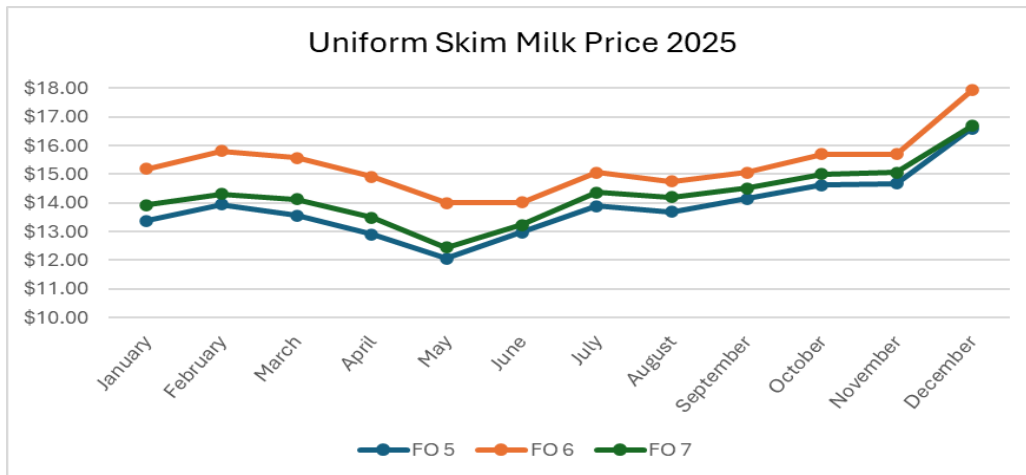
Effective June 2025, the Class I Extended Shelf Life (ESL) Adjustment for ESL products is equal to the average of the advanced Class III and Class IV skim pricing factors less the higher of the advanced Class III and Class IV skim pricing factors plus a 24-month rolling average adjuster with a 12-month lag.

## 2025 Uniform Skim and Butterfat Price Analysis

The chart below shows that uniform butterfat prices for FO 5, FO 6, and FO 7 moved almost identically throughout 2025, with all three orders starting the year near \$2.9500, and ending the year near \$1.6500. The reason the butterfat prices are so closely aligned is structural to how Federal Milk Marketing Orders calculate component values. Butterfat is priced primarily on wholesale butter prices, which are the same for all orders. In addition, class utilization is similar among the three orders.



The chart below shows that uniform skim prices across FO 5, FO 6, and FO 7 followed a similar seasonal pattern in 2025, declining from winter into late spring, reaching a low around May, and then steadily increasing through the remainder of the year. After the mid-year low, all three orders experienced gradual recovery, with an annual peak in December. Overall, the data illustrates strong alignment in price trends across the three orders.



## Dairy Margin Coverage Update

The 2026 Dairy Margin Coverage (DMC) program, reauthorized through 2031 under the One Big Beautiful Bill Act, will accept enrollments from January 12 to February 26, 2026. Key updates include expanding Tier I coverage to 6 million pounds, revising production histories based on the highest annual milk marketings from 2021 to 2023. The 25 percent premium discount for producers who choose a multi-year lock-in has been extended through 2031. These changes, implemented by USDA’s Farm Service Agency (FSA), are designed to enhance financial protection for dairy farmers against milk price and feed cost volatility. For more details, please visit the Dairy Margin Coverage webpage maintained by USDA, FSA.

## Dairy Outlook

### **Dairy Forecasts for 2026**

Recent data on dairy cow inventories, weekly estimated slaughter, and milk-feed ratio support downward revisions for the 2026 expected average number of milk cows. The dairy herd is forecast to average 9.540 million head, 15,000 head less than the last month's projection. However, with higher-than-expected milk per cow in the last quarter of 2025, the 2026 forecast for milk per cow is increased by 65 pounds to 24,585 pounds. As a result, the 2026 milk production is forecast now at 234.5 billion pounds, up 0.2 billion pounds from last month's forecast, as the higher milk-per-cow output more than offsets the lower expected number of dairy cows.

Dairy import forecasts for 2026 are adjusted as follows: imports on a milkfat basis are now projected at 8.0 billion pounds (-0.3 billion), while imports on a skim-solids basis are unchanged at 7.0 billion pounds. Lower volumes are expected for specialty butter, international types of cheeses, and milk protein concentrates.

U.S. butter and cheese are expected to maintain their price competitiveness in the international markets through 2026. Adequate expected domestic supplies of butter and cheese coupled with price competitiveness, robust international demand, and a depreciated U.S. dollar offer support for an upward revision in dairy exports of these products. Consequently, on a milk-fat basis, the 2026 dairy exports are forecast at 17.5 billion pounds, 0.5 billion pounds more than the previous forecast. Conversely, on a skim-solids basis, the forecast for 2026 exports is lowered by 0.1 billion pounds to 48.0 billion pounds. The downward revision is supported by a lack of price competitiveness and sluggish international demand for dry whey and dry skim milk products. Additionally, lower exports of casein products and lactose are expected to more than offset higher expected cheese exports.

On a milk-fat basis, with expectations for prices of cheese and butter in 2026 raised and the estimate for domestic use in 2025 revised downward, the 2026 forecast for domestic use is also revised downward to 223.7 billion pounds, 0.8 billion pounds lower than the previous projection. Despite higher projected prices for NDM and dry whey, the domestic demand for dairy-based protein is expected to remain robust. On a skim-solids basis, domestic disappearance is forecast at 192.7 billion pounds, unchanged from last month's projections.

With recent upward movements in the dairy product prices, the 2026 average price forecasts for major dairy products have been adjusted upward from the previous forecast. Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey for 2026 are forecast at \$1.605 (+2.0 cents), \$1.680 (+7.0 cents), \$1.315 (+11.0 cents), and \$0.690 (+2.0 cents) per pound, respectively.

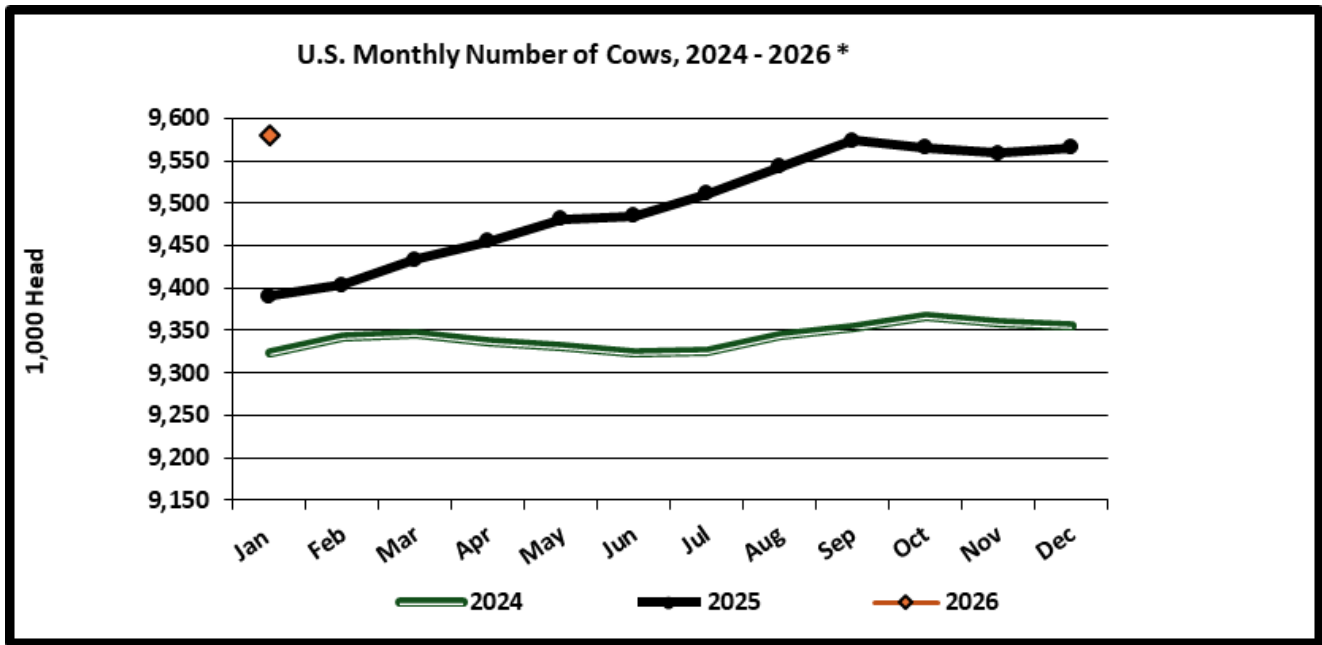
With higher price projections for Cheddar cheese and dry whey, the updated 2026 price forecast for Class III milk is \$16.65 per cwt, \$0.30 higher than the previous forecast. Similarly, with higher price projections for butter and NDM, the projected Class IV price is \$15.70 per cwt, \$1.25 higher than the previous projection. The all-milk price for 2026 is now forecast at \$18.95 per cwt, a \$0.70 increase from last month's forecast.

## Milk Production

***January Milk Production up 3.4 percent***

Milk production in the 24 major States during January totaled 19.1 billion pounds, up 3.4 percent from January 2025. December revised production, at 18.8 billion pounds, was up 4.4 percent from December 2024. The December revision represented a decrease of 36 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,082 pounds for January, 24 pounds above January 2025. The number of milk cows on farms in the 24 major States was 9.15 million head, up 200,000 head from January 2025, and up 15,000 head from December 2025.



***2025 Annual Milk Production up 2.6 percent from 2024***

The annual production of milk for the United States during 2025 was 232 billion pounds, up 2.6 percent from 2024. Revisions to 2024 production increased the annual total 21 million pounds. Revised 2025 production was up 176 million pounds from last month's publication. Annual total milk production has increased 9.0 percent from 2016.

Production per cow in the United States averaged 24,390 pounds for 2025, 218 pounds above 2024. The average annual rate of milk production per cow has increased 7.2 percent from 2016.

The average number of milk cows on farms in the United States during 2025 was 9.50 million head, up 153,000 head from 2024. The average number of milk cows was revised up 8,000 head for 2025. The average annual number of milk cows has increased 1.8 percent from 2016.

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## Federal Order Statistics for January 2026

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,341.7	676.4	28.9	16.64
5	<i>Appalachian</i>	438.0	341.9	78.1	20.32
6	<i>Florida</i>	232.8	189.2	81.3	21.30
7	<i>Southeast</i>	268.4	220.5	82.1	20.79
30	Upper Midwest	1,444.5	176.9	12.3	15.05
32	Central	1,179.5	381.0	32.3	15.75
33	Mideast	1,900.2	612.5	32.2	15.92
51	California	2,155.3	400.0	18.6	14.85
124	Pacific Northwest	523.0	134.2	25.7	15.17
126	Southwest	1,371.0	351.9	25.7	15.97
131	Arizona	386.8	107.5	27.8	15.23
<b>All Orders</b>		<b>12,241.2</b>	<b>3,592.0</b>	<b>29.3</b>	<b>16.07</b>

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

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