

Market Information BULLETIN

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Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook,
March 17, 2025, USDA, Economic, Research Service*

Dairy Forecasts for 2025

Following recent inventory data, the forecast for the average number of cows in the U.S. herd has been raised from the previous forecast by 5,000 head in the first quarter. The national milking herd is projected to average 9.380 million head in 2025. The forecast for milk per cow has been reduced by 80 pounds to 24,120 pounds. These reductions reflect, in part, the retention of the older cow in the production cycle as well as stronger-than-average growth in milk fat. Milk production in 2025 is forecast now at 226.2 billion pounds, a reduction of 0.7 billion pounds from the last forecast as the reduction in milk per cow is expected to offset the slightly higher number of dairy cows. The dairy import forecast for 2025 was unchanged on a milk-fat basis at 8.9 billion pounds but lowered to 7.0 billion pounds (-0.2 billion) on a skim-solids basis. Lower imports for butter, milk protein concentrate, and condensed and evaporated milk are expected to be partially offset by higher imports of other dairy products.

The 2025 dairy export forecasts were decreased on both bases from last month's forecast. On a milk-fat basis, 2025 dairy exports are forecast at 11.7 (-0.1) billion pounds, while on a skim solids basis, the 2025 dairy export forecast was revised downward to 47.5 (-1.2) billion pounds. This forecast adjustment takes into consideration the most recent trade data and the lack of price competitiveness for some dairy products, such as dry whey and uncertainty around export potential to our main markets. Lower shipments are expected across most dairy products.

With lower projected prices for dairy products, the 2025 forecasts for domestic use are adjusted upward relative to last month's projection as follows: On a skim-solids basis, domestic disappearance is forecast as 184.3 (+0.3) billion pounds, and on a milk-fat basis, it is forecast at 223.1 (+0.1) billion pounds.

Based on recent movements in the wholesale prices for the main dairy products and relatively strong year-over-year increases January ending stocks for butter and dry skim milk products, the 2025 average price forecasts have been adjusted from the last's month's projections. Wholesale price forecasts for Cheddar cheese, dry whey, butter, and NDM have been decreased to \$1.810 (-7.0 cents), \$0.525 (-8.0 cents), \$2.515 (-13.0 cents), and \$1.255 (-4.0 cents) per pound, respectively. The lower product price forecasts support downward revisions for milk class prices as follows: for Class III milk to \$17.95 (-\$1.15) per cwt, and for Class IV to \$18.80 (-\$0.90) per cwt. The all milk price for 2025 is now forecast at \$21.60, down \$1.00 from last month's forecast.

COMPUTATION OF UNIFORM PRICES

F.O. 6 - Florida: Uniform Price - February 2025

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	82.34%	159,619,223	\$11.35 /cwt.	\$ 18,116,781.81
Class I Butterfat	46.44%	3,739,278	\$2.9468 /lb.	11,018,904.41
Class I Differential at Location		163,358,501		9,063,945.91
Total Class I Milk	80.91%	163,358,501		\$ 38,199,632.13
Class II Skim Milk	14.80%	28,685,170	\$11.60 /cwt.	\$ 3,327,479.72
Class II Butterfat	47.11%	3,792,755	\$2.8256 /lb.	10,716,808.53
Total Class II Milk	16.09%	32,477,925		\$ 14,044,288.25
Class III Skim Milk	0.76%	1,474,435	\$10.69 /cwt.	\$ 157,617.10
Class III Butterfat	2.25%	180,900	\$2.8186 /lb.	509,884.75
Total Class III Milk	0.82%	1,655,335		\$ 667,501.85
Class IV Skim Milk	2.10%	4,064,824	\$10.40 /cwt.	\$ 422,741.69
Class IV Butterfat	4.20%	337,934	\$2.8186 /lb.	952,500.77
Total Class IV Milk	2.18%	4,402,758		\$ 1,375,242.46
Producer Milk	100.00%	201,894,519		\$ 54,286,664.69
Adjustments				
Overage and Other Source				\$ 165.88
Inventory Adjustments				\$ 4,416.97
Producer Butterfat at Uniform Butterfat Price				-\$ 23,406,285.63
Location Adjustments				-\$ 269,561.03
1/2 Balance in Producer Settlement Fund				\$ 92,151.28
Total Skim Milk and Aggregate Value			\$ 15.84140	\$ 30,707,552.16
Producer Settlement Fund Reserve			\$ 0.04140	\$ 80,255.15
Uniform Skim Milk Price (Hillsborough County, FL):			\$15.80 /cwt	
Uniform Butterfat Price:			\$2.9073 /lb	
Uniform Price (Hillsborough County, FL):			\$25.42 /cwt	

F.O. 7 - Southeast: Uniform Price - February 2025

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	70.99%	200,147,004	\$11.35 /cwt.	\$ 22,716,684.99
Class I Butterfat	39.77%	4,997,742	\$2.9468 /lb.	14,727,346.12
Class I Differential at Location		205,144,746		6,495,316.19
Total Class I Milk	69.65%	205,144,746		\$ 43,939,347.30
Class II Skim Milk	15.74%	44,384,031	\$11.60 /cwt.	\$ 5,148,547.61
Class II Butterfat	35.12%	4,412,291	\$2.8256 /lb.	12,467,369.44
Total Class II Milk	16.57%	48,796,322		\$ 17,615,917.05
Class III Skim Milk	6.72%	18,955,988	\$10.69 /cwt.	\$ 2,026,395.13
Class III Butterfat	6.62%	831,714	\$2.8186 /lb.	2,344,269.07
Total Class III Milk	6.72%	19,787,702		\$ 4,370,664.20
Class IV Skim Milk	6.55%	18,480,392	\$10.40 /cwt.	\$ 1,921,960.77
Class IV Butterfat	18.49%	2,323,237	\$2.8186 /lb.	6,548,275.81
Total Class IV Milk	7.06%	20,803,629		\$ 8,470,236.58
Producer Milk	100.00%	294,532,399		\$ 74,396,165.13
Adjustments				
Overage and Other Source				\$ 7,639.43
Inventory Adjustments				\$ 48,248.36
Producer Butterfat at Uniform Butterfat Price				-\$ 36,244,952.85
Location Adjustments				\$ 2,116,673.30
1/2 Balance in Producer Settlement Fund				\$ 123,214.63
Total Skim Milk and Aggregate Value			\$ 14.34456	\$ 40,446,988.00
Producer Settlement Fund Reserve			\$ 0.04456	\$ 125,647.67
Uniform Skim Milk Price (Fulton County, GA):			\$14.30 /cwt	
Uniform Butterfat Price:			\$2.8846 /lb	
Uniform Price (Fulton County, GA):			\$23.90 /cwt	

POOL HIGHLIGHTS

F.O. 6 - Florida: February 2025

Producer Milk Utilization:

Class I:	80.91%
Class II:	16.09%
Class III:	0.82%
Class IV:	2.18%

The Uniform Price
for February 2025 was announced at \$25.42, an increase of \$2.54 from February 2024.

Total Producer Milk
for February 2025 totaled 201.9 million pounds, a decrease of 13.1 million pounds from February 2024.

Total Class I Milk
for February 2025 was 163.4 million pounds, a decrease of 11.8 million pounds from February 2024.

Class I Utilization
for February 2025 was 80.91%, a decrease of .54 percentage points from February 2024.

F.O. 7 - Southeast: February 2025

Producer Milk Utilization:

Class I:	69.65%
Class II:	16.57%
Class III:	6.72%
Class IV:	7.06%

The Uniform Price
for February 2025 was announced at \$23.90 an increase of \$2.39 from February 2024.

Total Producer Milk
for February 2025 totaled 294.5 million pounds, an increase of 23 million pounds from February 2024.

Total Class I Milk
for February 2025 was 205.1 million pounds, a decrease of 8.3 million pounds from February 2024.

Class I Utilization
for February 2025 was 69.65%, a decrease of 8.9 percentage points from February 2024.

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in February 2025 is \$25.42 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$15.80 per hundred weight plus 3.5 times the uniform butterfat price of \$2.9073 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during Feb. 2025 totaled 201.9 million pounds. Florida producers supplied 164.1 million pounds of milk in February 2025 or an estimated 81.30% of producer milk pooled in Florida. In Feb. 2024, they supplied approximately 79.02% 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 February 2025. Total in-area Class I route disposition was 205.4 million pounds in February 2025, a decrease of 13.0 million pounds from February 2024.

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2025 is \$23.90 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.30 per hundredweight plus 3.5 times the uniform butterfat price of \$2.8846 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during February 2025 totaled 294.5 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 February 2025. Total in-area Class I route disposition was 281.6 million pounds in February 2025, a decrease of 6.1 million pounds from February 2024.

WASDE Dairy Report ^{1/} WASDE – 658, March 11, 2025

The milk production forecast for 2025 is reduced to lower expected output per cow more than offsetting slightly higher cow inventories.

Imports are unchanged on a fat basis and reduced on a skim-solids basis. Exports are lowered on a fat basis, primarily due to lower cheese exports. On a skim-solids basis, exports are lowered due to lower expected shipments of cheese, dry skim milk products, and lactose.

Domestic use is increased on both a fat and skim-solids basis. Cheese, butter, nonfat dry milk (NDM), and whey price forecasts are all lowered on recent prices. The Class III price is lowered on the lower price expectations for cheese and whey. The Class IV price is also reduced due to lower butter and NDM prices. The all-milk price estimate for 2025 is lowered to \$21.60 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/.

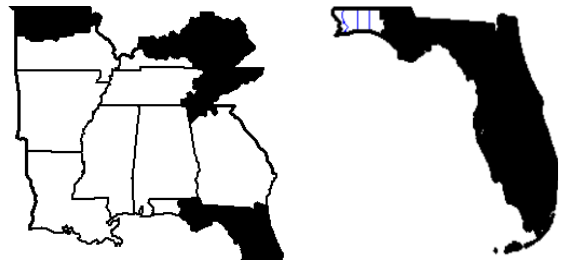
Federal Milk Marketing Order Statistics

February 2025

Federal Order	Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price ¹
	Million Pounds	Million Pounds	Percent	\$/cwt
1 Northeast	2,122.1	608.1	28.6	21.64
5 Appalachian	392.9	286.4	72.9	23.55
6 Florida	201.9	163.4	80.9	25.42
7 Southeast	294.5	205.1	69.7	23.90
30 Upper Midwest	2,173.9	151.5	7.0	20.31
32 Central	1,157.4	333.0	28.8	20.34
33 Mideast	1,676.9	559.2	33.4	20.82
51 California	2,456.9	369.1	15.0	20.54
124 Pacific Northwest	618.0	116.4	18.8	20.32
126 Southwest	1,152.7	309.5	26.9	21.10
131 Arizona	402.4	114.4	28.4	21.18
All Orders ¹	12,649.8	3,216.0	25.4	21.01

¹ Weighted average uniform price at 3.5% butterfat at announced locations.

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