

Market Information BULLETIN

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Jason Nierman - Market Administrator



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Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook,
May 16, 2025, USDA, Economic, Research Service*

Dairy Forecast for 2025

Based on recent data, the forecasts for the average number of dairy cows and milk per cow for 2025 have been raised from the previous forecast by 5,000 head and 25 pounds per cow, respectively. The national milking herd is projected to average 9.410 million head in 2025 while the milk per cow is projected to average 24,155 pounds per cow. Milk production in 2025 is forecast now at 227.3 billion pounds, an increase of 0.4 billion pounds from the last forecast. The dairy import forecast for 2025 is unchanged from last month's forecast, at 6.7 billion pounds on a skim-solids basis but lowered 0.2 billion to 8.3 billion pounds on a milk-fat basis. Lower imports are expected for butter and milk protein concentrate, while higher imports are expected for cheese.

The dairy export forecasts for 2025 are adjusted upward from last month's forecast. On a milkfat basis 2025 dairy exports are forecast at 12.2 (+0.4) billion pounds, while on a skim-solids basis the 2025 dairy export forecast was revised to 45.4 (+0.8) billion pounds. These forecast adjustments take into consideration the most recent trade data and the trade policy in place at the time of the publication of the WASDE. Higher exports are expected for butter, cheese, dry skim milk products, lactose, and dry whey products. With higher projected wholesale prices for dairy products, the 2025 forecasts for domestic use are adjusted downward compared to last month's projections as follows: on a skim-solids basis, domestic disappearance is forecast at 185.6 (-1.7) billion pounds, and on a milk-fat basis, it is forecast at 222.9 (-0.2) billion pounds.

The forecast for 2025 ending stocks on a milk-fat basis is unchanged at 12.6 billion pounds. However, on a skim-solids basis, the forecast for 2025 ending stocks is raised by 0.7 billion to 11.5 billion pounds, as higher expected milk production and reduced expectations for domestic use will likely offset the increased forecast for exports.

Based on recent price movements, the 2025 average wholesale price forecasts for the main dairy products have been adjusted upward from last month's projections as follows: Cheddar cheese \$1.840 (+5.0 cents), dry whey \$0.535 (+2.5 cents), butter \$2.460 (+1.5 cents), and NDM \$1.240 (+2.0 cents) per pound, respectively. The higher product price forecasts support upward revisions to forecasts of Class III and IV milk prices to \$18.70 (+\$1.10) and \$18.45 (+\$0.25) per cwt, respectively. The all-milk price for 2025 is now forecast at \$21.60, up \$0.50 from last month's forecast.

Dairy Forecast for 2026

The national dairy herd is forecast to continue moderately expanding in 2026 supported by expectations that the favorable farm margins of 2024 persist through 2025. The growth of the dairy herd will be limited by the availability of replacement heifers as well as by robust demand for beef-on-dairy calves in the beef sector.

Dairy herd productivity measured as milk per cow is also expected to increase in 2026 but at a pace lower than historical levels. Milk component percentages, especially on the fat side, are projected to continue to increase at robust growth rates. Exports of dairy products are increased following the announcement of China's reduction in tariffs on U.S. imports on May 12. However, dairy products such as cheese and butter are expected to maintain competitive margins in other international markets as well.

Higher milk production and growth in components in 2026 compared to 2025 are expected to contribute to lower wholesale prices for the dairy products. Lower domestic prices in 2026 will be supportive of higher domestic use. Ending stocks in 2026 are forecast to be lower relative to 2025, as the expected growth in milk production will likely be offset by the increase in domestic use and changes in exports.

The national dairy herd in 2026 is projected to increase by 10,000 head relative to 2025 averaging 9.420 million head for the year. The 2026 forecast for average milk per cow is 24,195 pounds, about 0.2 percent higher year over year. Consequently, milk supply for 2026 is projected to total 227.9 billion pounds, about 0.3 percent higher than the forecast for 2025. Recent increases in imports of butter are expected to continue through 2026. U.S. exports on a skim-solids basis are expected to increase in 2026 due to higher expected shipments of dry whey products and lactose. The 2026 forecasts for exports are 11.8 billion pounds on a milk-fat basis (0.4 billion pounds lower than 2025 forecast), and 46.9 billion pounds on a skim solids basis (1.5 billion pounds above the 2025 forecast). Driven by lower expected prices and higher domestic product availability, 2026 domestic use is expected to grow at a moderate pace relative to 2025.

The 2026 forecasts for domestic use are 224.2 billion pounds on a milk-fat basis (1.3 billion pounds above the 2025 forecast) and 187.4 billion pounds on a skim-solids basis. Class III and IV milk prices in 2026 are also projected lower year over year. The 2026 Class III milk price is forecast at \$17.50 (-\$1.20) per cwt while the Class IV milk price is forecast at \$18.10 (-\$0.35) per cwt. Consequently, the 2026 all-milk price is projected to average \$21.15 per cwt, \$0.45 lower than the 2025 forecast of \$21.60 per cwt.

COMPUTATION OF UNIFORM PRICES

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

Producer Milk

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	80.16%	164,983,936	\$10.75 /cwt.	\$ 17,735,773.15
Class I Butterfat	45.90%	3,853,222	\$2.6284 /lb.	10,127,808.72
Class I Differential at Location		168,837,158		9,349,071.28
Total Class I Milk	78.81%	168,837,158		\$ 37,212,653.15
Class II Skim Milk	15.78%	32,488,393	\$10.31 /cwt.	\$ 3,349,553.32
Class II Butterfat	46.44%	3,898,298	\$2.6476 /lb.	10,321,133.79
Total Class II Milk	16.99%	36,386,691		\$ 13,670,687.11
Class III Skim Milk	2.81%	5,775,855	\$8.54 /cwt.	\$ 493,258.01
Class III Butterfat	3.61%	303,127	\$2.6406 /lb.	800,437.14
Total Class III Milk	2.84%	6,078,982		\$ 1,293,695.15
Class IV Skim Milk	1.25%	2,572,069	\$8.99 /cwt.	\$ 231,229.00
Class IV Butterfat	4.05%	340,083	\$2.6406 /lb.	898,023.17
Total Class IV Milk	1.36%	2,912,152		\$ 1,129,252.17
Producer Milk	100.00%	214,214,983		\$ 53,306,287.58

Adjustments

Overage and Other Source	\$ 9,240.14
Inventory Adjustments	\$ 291.64
Producer Butterfat at Uniform Butterfat Price	-\$ 22,361,042.30
Location Adjustments	-\$ 268,212.22
1/2 Balance in Producer Settlement Fund	\$ 87,699.70

Total Skim Milk and Aggregate Value	\$ 14.95200	\$ 30,774,264.54
Producer Settlement Fund Reserve	\$ 0.04200	\$ 86,464.82

Uniform Skim Milk Price (Hillsborough County, FL):	\$14.91 /cwt
Uniform Butterfat Price:	\$2.6637 /lb
Uniform Price (Hillsborough County, FL):	\$23.71 /cwt

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

Producer Milk

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	72.18%	214,638,684	\$10.75 /cwt.	\$ 23,073,658.56
Class I Butterfat	41.77%	5,386,928	\$2.6284 /lb.	14,159,001.55
Class I Differential at Location		220,025,612		6,972,202.76
Total Class I Milk	70.92%	220,025,612		\$ 44,204,862.87
Class II Skim Milk	14.78%	43,937,123	\$10.31 /cwt.	\$ 4,529,917.37
Class II Butterfat	35.20%	4,539,392	\$2.6476 /lb.	12,018,494.29
Total Class II Milk	15.63%	48,476,515		\$ 16,548,411.66
Class III Skim Milk	5.89%	17,507,897	\$8.54 /cwt.	\$ 1,495,174.40
Class III Butterfat	6.62%	854,219	\$2.6406 /lb.	2,255,650.68
Total Class III Milk	5.92%	18,362,116		\$ 3,750,825.08
Class IV Skim Milk	7.15%	21,249,991	\$8.99 /cwt.	\$ 1,910,374.20
Class IV Butterfat	16.41%	2,116,995	\$2.6406 /lb.	5,590,136.99
Total Class IV Milk	7.53%	23,366,986		\$ 7,500,511.19
Producer Milk	100.00%	310,231,229		\$ 72,004,610.80

Adjustments

Overage and Other Source	\$ 40.90
Inventory Adjustments	-\$ 16,890.53
Producer Butterfat at Uniform Butterfat Price	-\$ 34,193,942.14
Location Adjustments	\$ 2,267,873.77
1/2 Balance in Producer Settlement Fund	\$ 152,029.15

Total Skim Milk and Aggregate Value	\$ 13.52477	\$ 40,213,721.95
Producer Settlement Fund Reserve	\$ 0.04477	\$ 133,139.87

Uniform Skim Milk Price (Fulton County, GA):	\$13.48 /cwt
Uniform Butterfat Price:	\$2.6512 /lb
Uniform Price (Fulton County, GA):	\$22.29 /cwt

POOL HIGHLIGHTS

F.O. 6 - Florida: April 2025

Producer Milk Utilization:

Class I:	78.81%
Class II:	16.99%
Class III:	2.84%
Class IV:	1.36%

The Uniform Price

for April 2025 was announced at \$23.71, a decrease of \$ 0.23 from April 2024.

Total Producer Milk

for April 2025 totaled 214.2 million pounds, a decrease of 4.3 million pounds from April 2024.

Total Class I Milk

for April 2025 was 168.8 million pounds, a decrease of 10.3 million pounds from April 2024.

Class I Utilization

for April 2025 was 78.81%, a decrease of 3.16 percentage points from April 2024.

F.O. 7 - Southeast: April 2025

Producer Milk Utilization:

Class I:	70.92%
Class II:	15.63%
Class III:	5.92%
Class IV:	7.53%

The Uniform Price

for April 2025 was announced at \$22.29 an increase of \$0.02 from April 2024.

Total Producer Milk

for April 2025 totaled 310.2 million pounds, an increase of 6.5 million pounds from April 2024.

Total Class I Milk

for April 2025 was 220.0 million pounds, an increase of 4.8 million pounds from April 2024.

Class I Utilization

for April 2025 was 70.92%, an increase of 0.04 percentage points from April 2024.

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in April 2025 is \$23.71 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$14.91 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6637 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during April 2025 totaled 214.2 million pounds. Florida producers supplied 177.1 million pounds of milk in April 2025 or an estimated 82.66% of producer milk pooled in Florida. In April, 2024, they supplied approximately 83.25% 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 April 2025. Total in-area Class I route disposition was 208.2 million pounds in April 2025, a decrease of 16.1 million pounds from April 2024.

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2025 is \$22.29 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.48 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6512 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during April 2025 totaled 310.2 million pounds. There were 16 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 April 2025. Total in-area Class I route disposition was 292.2 million pounds in April 2025, an increase of 2.9 million pounds from April 2024.

WASDE Dairy Report ^{1/} WASDE – 660, May 12, 2025

Milk production in 2026 is forecast to increase from 2025, driven by an expanding milk cow herd and slightly higher milk per cow. Commercial exports are forecast to be lower than in 2025 on a fat basis, but higher on a skim-solids basis due to additional exports of whey products. Commercial imports are forecast to increase on a fat basis due primarily to increases in imports of butter. Imports on a skim-solids basis are forecast to increase slightly. Domestic use in 2026 is expected to increase on both a fat basis and skim-solids basis. Dairy product prices are forecast to be lower for butter, nonfat dry milk (NDM), cheese, and whey, compared with 2025, primarily due to increased milk supplies. As a result, Class III and Class IV prices are also forecast lower in 2026. The all-milk price in 2026 is forecast to be \$21.15 per cwt.

The 2025 milk production forecast is raised from the previous month on expectations of an increased cow herd and a faster growth rate in output per cow, all based on the latest information published in the NASS Milk Production report. The import forecast on a fat basis is lowered on reduced expectations of butter shipments. The skim-solids import forecast is unchanged. The fat-based export forecast is raised on competitively priced butter and cheese. Exports on a skim-solids basis are raised on increased shipments of whey products, lactose, and cheese. Butter, cheese, NDM, and whey price forecasts are all raised from the previous month on recent prices and increased export demand for the second half of the year. The Class III and Class IV price forecasts are also raised. The all milk price for 2025 increased 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

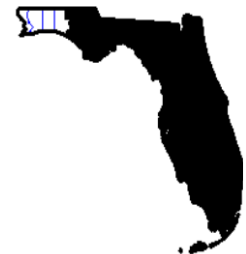
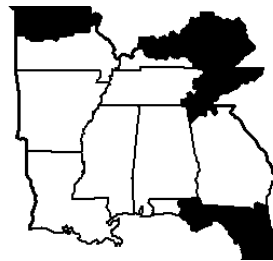
April 2025

Federal Order	Producer	Class I	Class I	Statistical
	Deliveries	Producer Receipts	Utilization	Uniform Price ¹
	Million Pounds	Million Pounds	Percent	\$/cwt
1 Northeast	2,326.5	641.8	27.6	19.72
5 Appalachian	452.7	301.1	66.5	21.72
6 Florida	214.2	168.8	78.8	23.71
7 Southeast	310.2	220.0	70.9	22.29
30 Upper Midwest	2,583.7	159.1	6.2	17.75
32 Central	1,366.2	341.2	25.0	18.27
33 Mideast	1,529.0	511.5	33.5	18.80
51 California	3,271.4	385.9	11.8	18.37
124 Pacific Northwest	683.3	118.7	17.4	18.20
126 Southwest	1,396.9	323.7	23.2	19.05
131 Arizona	388.2	112.4	29.0	19.25
All Orders	14,522.3	3,284.4	22.6	18.86

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



MILK MARKET ADMINISTRATOR
U.S. Department of Agriculture
2763 Meadow Church RD
Duluth, Georgia 30097



www.fmmatlanta.com

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