

Market Information BULLETIN

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Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook,
June 18, 2024, USDA, Economic, Research Service*

Dairy Forecasts for 2024:

The dairy herd forecast for 2024 is 9.345 million cows, unchanged from last month's forecast. The forecast milk yield per cow is 24,320 pounds, 10 pounds less than last month's forecast. The rounded milk production forecast remains unchanged from the last projection at 227.3 billion pounds. Based on higher dairy imports shown in recent trade data, 2024 import forecasts have been adjusted upward from previous projections. On a milk-fat basis, imports in 2024 are forecast at 8.6 (+0.4) billion pounds, while on a skim-solids basis, they are forecast at 7.3 billion pounds, (+0.3) billion pounds. Imports of cheese, infant formula, and various others dairy products are expected to increase throughout 2024, driven by strong demand from U.S. buyers and higher expected prices on domestic dairy products. On a milk-fat basis, dairy export shipments for 2024 are forecast at 11.2 (+0.2) billion pounds, while on a skim-solids basis they are projected at 49.3 billion pounds, unchanged from last month's forecast. Higher export volumes of cheese, and dry whey products are expected for 2024, while lower exports are expected for skim milk products and lactose. With dairy prices projected to soar in 2024, domestic consumption is projected lower than last month's forecast. On a milk-fat basis, domestic use for 2024 is forecast at 223.9 (-0.3) billion pounds, while on a skim-solids basis it is forecast at 184.2 billion pounds, unchanged from last month's forecast.

The all-milk price for 2024 is now forecast at \$21.60 per cwt, up \$0.40 from last month's forecast.

Dairy Forecasts for 2025

The milk production for 2025 is projected at 229.3 billion pounds, unchanged from last month's forecast, as expected milk cow numbers are offset by lower expected milk per cow. The 2025 forecasts for dairy imports are revised upward from the previous month's forecast. On a milkfat basis, imports in 2025 are forecast at 8.2 (+0.1) billion pounds, while on a skim-solids basis imports are forecast at 7.0 billion pounds, also 0.1 billion higher than last month's projection. Imports of cheese, butter, and infant formula are expected to be higher in 2025 compared to the previous month's forecast. Dairy exports are adjusted higher for 2025 on projected strong international demand. On a milk-fat basis, dairy export volumes are forecast at 11.5 (+0.3) billion pounds, while on a skim-solids basis they are projected at 50.5 billion pounds, also 0.3 billion pounds higher than the previous month's forecast. Higher exports of cheese, butter, and dry whey products are expected for 2025. On a milk-fat basis, domestic use for 2025 is forecast at 225.3 billion pounds, unchanged from last month's forecast.

The all-milk price for 2025 is now forecast at \$21.50 per cwt, up \$0.60 from last month's forecast.

COMPUTATION OF UNIFORM PRICES

F.O. 6 - Florida: Uniform Price - May 2024

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	82.52%	165,150,935	\$7.18 /cwt.	\$ 11,857,837.12
Class I Butterfat	49.44%	3,977,351	\$3.2954 /lb.	13,106,962.49
Class I Differential at Location		169,128,286		9,370,475.07
Total Class I Milk	81.23%	169,128,286		\$ 34,335,274.68
Class II Skim Milk	14.39%	28,803,781	\$9.69 /cwt.	\$ 2,791,086.38
Class II Butterfat	46.46%	3,737,622	\$3.4706 /lb.	12,971,790.89
Total Class II Milk	15.63%	32,541,403		\$ 15,762,877.27
Class III Skim Milk	2.20%	4,411,025	\$6.66 /cwt.	\$ 293,774.27
Class III Butterfat	2.24%	180,125	\$3.4636 /lb.	623,880.96
Total Class III Milk	2.21%	4,591,150		\$ 917,655.23
Class IV Skim Milk	0.89%	1,782,190	\$8.68 /cwt.	\$ 154,694.09
Class IV Butterfat	1.86%	149,883	\$3.4636 /lb.	519,134.76
Total Class IV Milk	0.93%	1,932,073		\$ 673,828.85
Producer Milk	100.00%	208,192,912		\$ 51,689,636.03
Adjustments				
Overage and Other Source				\$ 738.53
Inventory Adjustments				-\$ 13,286.56
Producer Butterfat at Uniform Butterfat Price				-\$ 27,443,039.19
Location Adjustments				-\$ 277,856.81
1/2 Balance in Producer Settlement Fund				\$ 21,671.20
Total Skim Milk and Aggregate Value			\$ 11.98000	\$ 23,977,863.20
Producer Settlement Fund Reserve			\$ 0.04007	\$ 80,200.24
Uniform Skim Milk Price (Hillsborough County, FL):			\$11.94 /cwt	
Uniform Butterfat Price:			\$3.4112 /lb	
Uniform Price (Hillsborough County, FL):			\$23.46 /cwt	

F.O. 7 - Southeast: Uniform Price -May 2024

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	72.08%	201,702,783	\$7.18 /cwt.	\$ 14,482,259.82
Class I Butterfat	43.94%	5,155,284	\$3.2954 /lb.	16,988,722.89
Class I Differential at Location		206,858,067		6,607,945.37
Total Class I Milk	70.94%	206,858,067		\$ 38,078,928.08
Class II Skim Milk	9.31%	26,061,262	\$9.69 /cwt.	\$ 2,525,336.27
Class II Butterfat	34.44%	4,040,425	\$3.4706 /lb.	14,022,699.00
Total Class II Milk	10.32%	30,101,687		\$ 16,548,035.27
Class III Skim Milk	11.68%	32,691,232	\$6.66 /cwt.	\$ 2,177,236.06
Class III Butterfat	13.88%	1,628,951	\$3.4636 /lb.	5,642,034.67
Total Class III Milk	11.77%	34,320,183		\$ 7,819,270.73
Class IV Skim Milk	6.93%	19,405,600	\$8.68 /cwt.	\$ 1,684,406.10
Class IV Butterfat	7.74%	908,330	\$3.4636 /lb.	3,146,091.78
Total Class IV Milk	6.97%	20,313,930		\$ 4,830,497.88
Producer Milk	100.00%	291,593,867		\$ 67,276,731.96
Adjustments				
Overage and Other Source				\$ 229.41
Inventory Adjustments				\$ 21,855.52
Producer Butterfat at Uniform Butterfat Price				-\$ 39,963,737.24
Location Adjustments				\$ 2,127,109.81
1/2 Balance in Producer Settlement Fund				\$ 122,716.88
Total Skim Milk and Aggregate Value			\$ 10.57129	\$ 29,584,906.34
Producer Settlement Fund Reserve			\$ 0.04129	\$ 115,555.98
Uniform Skim Milk Price (Fulton County, GA):			\$10.53 /cwt	
Uniform Butterfat Price:			\$3.4061 /lb	
Uniform Price (Fulton County, GA):			\$22.08 /cwt	

POOL HIGHLIGHTS

F.O. 6 - Florida: May 2024

Producer Milk Utilization:

Class I:	81.23%
Class II:	15.63%
Class III:	2.21%
Class IV:	0.93%

The Uniform Price
for May 2024 was announced at \$23.46, a decrease of \$0.49 from May 2023.

Total Producer Milk
for May 2024 totaled 208.2 million pounds, an increase of 160,690 thousand pounds from May 2023.

Total Class I Milk
for May 2024 was 169.1 million pounds, a decrease of 1.9 million pounds from May 2023.

Class I Utilization
for May 2024 was 81.23%, a decrease of 0.98 percentage points from May 2023.

F.O. 7 - Southeast: May 2024

Producer Milk Utilization:

Class I:	70.94%
Class II:	10.32%
Class III:	11.77%
Class IV:	6.97%

The Uniform Price
for May 2024 was announced at \$22.08 a decrease of \$0.10 from May 2023.

Total Producer Milk
for May 2024 totaled 291.6 million pounds, a decrease of 15.8 million pounds from May 2023.

Total Class I Milk
for May 2024 was 206.9 million pounds, a decrease of 7.0 million pounds from May 2023.

Class I Utilization
for May 2024 was 70.94%, an increase of 1.39 percentage points from May 2023.

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in May 2024 is \$23.46 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$11.94 per hundredweight plus 3.5 times the uniform butterfat price of \$3.4112 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during May 2024 totaled 208.2 million pounds. Florida producers supplied 174.4 million pounds of milk in May 2024 or an estimated 83.75% of the producer milk pooled in Florida. In May 2023, they supplied approximately 88.51% 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 May 2024. Total in-area Class I route disposition was 212.5 million pounds in May 2024, a decrease of 692,324 thousand pounds from May 2023.

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2024 is \$22.08 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.53 per hundredweight plus 3.5 times the uniform butterfat price of \$3.4061 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during May 2024 totaled 291.6 million pounds. There were 15 regulated pool distributing plants, 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2024. Total in-area Class I route disposition was 288.9 million pounds in May 2024, a decrease of 2.2 million pounds from May 2023.

WASDE Dairy Report ^{1/} WASDE – 649, June 12, 2024

Milk production forecasts for both 2024 and 2025 are unchanged from last month with slight adjustments to cow inventories offset by slower growth in milk per cow.

For 2024 commercial exports are raised on a fat basis, largely due to higher expected shipments of cheese. Skim-solids basis exports are unchanged. For 2025, exports are raised on a fat basis and a skim-solids basis based on expectations of continued strong international demand. Imports for 2024 are raised for both a fat and skim-solids basis, supported by higher expected butter and milk protein containing products, respectively. Import forecasts for 2025 are raised as well. For 2024, butter, cheese, whey, and nonfat dry milk (NDM) price forecasts are raised from the previous month on recent price strength. With the changes in product prices, Class III and Class IV prices are raised. The all-milk price forecast is raised to \$21.60 per cwt. Strong demand for dairy products is expected to carry into 2025 and prices are raised for butter, cheese, and whey. The forecast for NDM is unchanged. As a result of higher product prices, Class III and Class IV price forecasts are also raised. The 2025 all milk price forecast is \$21.50 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

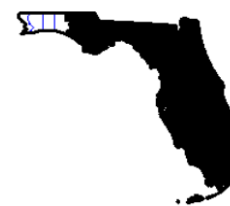
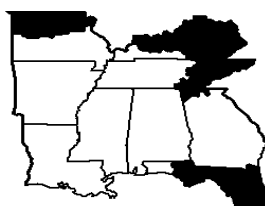
May 2024

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 ¹ <i>\$/cwt</i>
1 Northeast	2,326.5	663.1	28.5	20.89
5 Appalachian	440.0	310.4	70.5	21.77
6 Florida	208.2	169.1	81.2	23.46
7 Southeast	291.6	206.9	70.9	22.08
30 Upper Midwest	2,754.6	160.9	5.8	18.74
32 Central	1,320.5	355.3	26.9	19.14
33 Mideast	1,375.3	526.5	38.3	19.45
51 California	2,103.9	398.5	18.9	19.40
124 Pacific Northwest	630.8	133.1	21.1	19.52
126 Southwest	1,117.4	319.1	28.6	19.89
131 Arizona	292.2	110.3	37.7	20.09
All Orders	12,860.8	3,353.0	26.1	19.78

^{1/} Weighted average uniform price at 3.5% butterfat at announced locations.



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