

Market Information BULLETIN

FO 6 & 7

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Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook,
June 18, 2025, USDA, Economic, Research Service*

Dairy Forecast for 2025 (Summary)

Based on recent data, the 2025 forecasts for milk production have increased to 227.3 billion pounds. Wholesale dairy product prices and milk prices are also revised upward, with the all-milk price forecast at \$21.60 per hundredweight (cwt), a \$0.50 increase from the previous forecast. In 2026, milk production is expected to grow to 227.9 billion pounds due to a larger dairy herd and slightly improved milk per cow. Wholesale dairy product prices and milk prices are forecast at lower levels in 2026 than in 2025. The 2026 all-milk price is projected to average \$21.15 per cwt, \$0.45 lower than the 2025 forecast.

Dairy Forecast for 2026

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.

Imports in 2026 are expected to be above 2025, with imports on a milk-fat basis projected at 8.7 billion pounds (+0.4 billion pounds), and imports on a skim-solids basis projected at 6.8 billion pounds, 0.1 billion pounds higher than 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. However, on a milk-fat basis, 2026 exports are forecast to decrease relative to 2025. 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 (1.8 billion pounds above 2025). The wholesale prices for the main dairy products are forecast to decrease relative to 2025. The 2026 projections for the average wholesale dairy product prices are as follows: Cheddar cheese \$1.800 (-4.00 cents), butter \$2.450 (-1.00 cents), NDM \$1.215 (-2.50 cents), and dry whey \$0.470 (-6.50 cents) per pound, respectively.

Final Rule Announcement for Pricing Formula Changes

AMS administered and oversaw 11 referenda whereby producers whose milk was pooled on an FMMO in the selected representative month of January 2024 had the opportunity to vote in favor of or opposition to the FMMOs proposed to be amended. This final rule announces that producers in each of the 11 FMMOs approved the following pricing formula amendments:

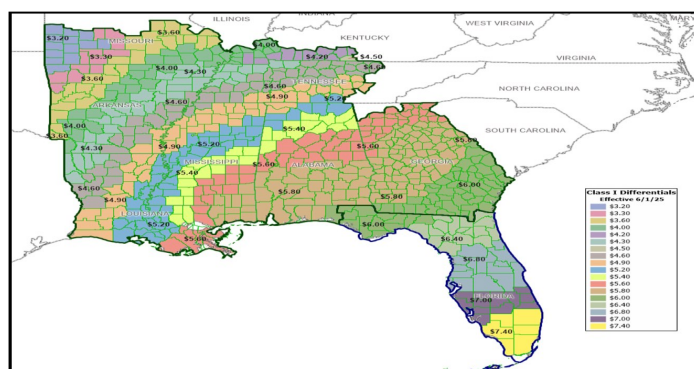
June 1, 2025

- Removing 500-pound barrel cheddar cheese prices from the Dairy Product Mandatory Reporting Program survey.
- Updating the Class III and Class IV manufacturing allowances to \$0.2519 for cheese, \$0.2272 for butter, \$0.2393 for nonfat dry milk and \$0.2668 for dry whey, all on a per pound basis, and the butterfat recovery factor to 91 percent.
- Returning the base Class I skim milk price formula to the higher-of the advanced Class III or Class IV skim milk prices for the month. In addition, adoption of a Class I extended shelf life (ESL) adjustment for all ESL products equal to the average -of mover plus a 24-month rolling average adjuster with a 12-month lag.
- Updating the Class I differential values to reflect the increased cost of servicing the Class I market.

December 1, 2025

- Updating the skim milk composition factors to 3.3 percent true protein, 6.0 percent other solids and 9.3 percent nonfat solids, with a six-month delayed implementation.

FO 6 & 7 – Class I Differentials Effective 6/1/25



Additional information is available on the National FMMO Pricing Formula Hearing webpage: <https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing>

COMPUTATION OF UNIFORM PRICES

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

Producer Milk

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	83.09%	160,245,658	\$9.45 /cwt.	\$ 15,143,214.68
Class I Butterfat	50.46%	3,869,721	\$2.6441 /lb.	10,231,929.29
Class I Differential at Location		164,115,379		9,089,719.87
Total Class I Milk	81.84%	164,115,379		\$ 34,464,863.84
Class II Skim Milk	15.03%	28,987,933	\$9.72 /cwt.	\$ 2,817,627.08
Class II Butterfat	43.70%	3,352,011	\$2.6697 /lb.	8,948,863.78
Total Class II Milk	16.13%	32,339,944		\$ 11,766,490.86
Class III Skim Milk	0.96%	1,849,529	\$9.59 /cwt.	\$ 177,369.83
Class III Butterfat	1.96%	150,643	\$2.6627 /lb.	401,117.11
Total Class III Milk	1.00%	2,000,172		\$ 578,486.94
Class IV Skim Milk	0.92%	1,772,269	\$9.13 /cwt.	\$ 161,808.17
Class IV Butterfat	3.88%	297,791	\$2.6627 /lb.	792,928.10
Total Class IV Milk	1.03%	2,070,060		\$ 954,736.27
Producer Milk	100.00%	200,525,555		\$ 47,764,577.91

Adjustments

Overage and Other Source	\$ 1,235.97
Inventory Adjustments	\$ 18,727.73
Producer Butterfat at Uniform Butterfat Price	-\$ 20,589,793.61
Location Adjustments	-\$ 230,443.17
1/2 Balance in Producer Settlement Fund	\$ 93,317.23

Total Skim Milk and Aggregate Value	\$ 14.03000	\$ 27,057,622.06
Producer Settlement Fund Reserve	\$ 0.04000	\$ 77,153.13

Uniform Skim Milk Price (Hillsborough County, FL):	\$13.99 /cwt
Uniform Butterfat Price:	\$2.6844 /lb
Uniform Price (Hillsborough County, FL):	\$22.90 /cwt

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

Producer Milk

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	69.64%	203,311,553	\$9.45 /cwt.	\$ 19,212,941.80
Class I Butterfat	42.96%	5,287,874	\$2.6441 /lb.	13,981,667.64
Class I Differential at Location		208,599,427		6,618,963.15
Total Class I Milk	68.57%	208,599,427		\$ 39,813,572.59
Class II Skim Milk	15.72%	45,885,294	\$9.72 /cwt.	\$ 4,460,050.56
Class II Butterfat	37.65%	4,634,090	\$2.6697 /lb.	12,371,630.07
Total Class II Milk	16.60%	50,519,384		\$ 16,831,680.63
Class III Skim Milk	4.86%	14,180,614	\$9.59 /cwt.	\$ 1,359,920.87
Class III Butterfat	4.71%	579,857	\$2.6627 /lb.	1,543,985.23
Total Class III Milk	4.85%	14,760,471		\$ 2,903,906.10
Class IV Skim Milk	9.78%	28,566,271	\$9.13 /cwt.	\$ 2,608,100.54
Class IV Butterfat	14.68%	1,806,842	\$2.6627 /lb.	4,811,078.21
Total Class IV Milk	9.98%	30,373,113		\$ 7,419,178.75
Producer Milk	100.00%	304,252,395		\$ 66,968,338.07

Adjustments

Overage and Other Source	\$ 3,221.61
Inventory Adjustments	\$ 5,506.58
Producer Butterfat at Uniform Butterfat Price	-\$ 32,876,438.87
Location Adjustments	\$ 2,231,845.08
1/2 Balance in Producer Settlement Fund	\$ 145,040.75

Total Skim Milk and Aggregate Value	\$ 12.49470	\$ 36,477,513.22
Producer Settlement Fund Reserve	\$ 0.04470	\$ 130,518.58

Uniform Skim Milk Price (Fulton County, GA):	\$12.45 /cwt
Uniform Butterfat Price:	\$2.6710 /lb
Uniform Price (Fulton County, GA):	\$21.36 /cwt

POOL HIGHLIGHTS

F.O. 6 - Florida: May 2025

Producer Milk Utilization:

Class I:	81.84%
Class II:	16.13%
Class III:	1.00%
Class IV:	1.03%

The Uniform Price

for May 2025 was announced at \$22.90, a decrease of \$ 0.56 from May 2024.

Total Producer Milk

for May 2025 totaled 200.5 million pounds, a decrease of 7.7million pounds from May 2024.

Total Class I Milk

for May 2025 was 164.1 million pounds, a decrease of 5.0 million pounds from May 2024.

Class I Utilization

for May 2025 was 81.84%, a increase of 0.61 percentage points from May 2024.

F.O. 7 - Southeast: May 2025

Producer Milk Utilization:

Class I:	68.57%
Class II:	16.60%
Class III:	4.85%
Class IV:	9.98%

The Uniform Price

for May 2025 was announced at \$21.36 an decrease of \$0.72 from May 2024.

Total Producer Milk

for May 2025 totaled 304.3 million pounds, an increase of 12.7 million pounds from May 2024.

Total Class I Milk

for May 2025 was 208.6 million pounds, an increase of 1.7 million pounds from May 2024.

Class I Utilization

for May 2025 was 68.57%, an decrease of 2.37 percentage points from May 2024.

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in May 2025 is \$22.90 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$13.99 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6844 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during May 2025 totaled 200.5 million pounds. Florida producers supplied 177.0 million pounds of milk in May 2025 or an estimated 82.28% of producer milk pooled in Florida. In May 2024, they supplied approximately 83.75% 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 May 2025. Total in-area Class I route disposition was 209.5 million pounds in May 2025, a decrease of 3.1 million pounds from May 2024.

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2025 is \$21.36 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.45 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6710 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during May 2025 totaled 304.3 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 May 2025. Total in-area Class I route disposition was 291.9 million pounds in May 2025, an increase of 3.0 million pounds from May 2024.

WASDE Dairy Report ^{1/} WASDE – 661, June 12, 2025

Milk production forecasts are raised for both 2025 and 2026. Based on the latest Milk Production report, cow inventories are raised for 2025 and milk per cow is raised for both 2025 and 2026.

For 2025 and 2026, commercial exports forecasts are raised on a fat basis, primarily due to competitively priced butter exports, as well as higher cheese and fluid product exports. On a skim solids basis, export forecasts are reduced on lower shipments of nonfat dry milk (NDM). Import forecasts for 2025 are raised on both a fat basis and skim-solids basis. For 2026, imports are raised on a skim-solids basis, but unchanged on a fat basis.

For 2025, butter, cheese, whey, and NDM price forecasts are raised from the previous month on recent price strength. The all milk price forecast is raised to \$21.95 per cwt. For 2026, butter, cheese, and whey price forecasts are raised as strong demand is expected to absorb the growth in milk production. NDM prices are unchanged from the previous month. Class III and Class IV price forecasts are raised as well. The all-milk price forecast for 2026 is \$21.30 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

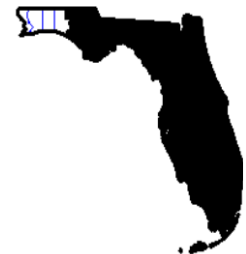
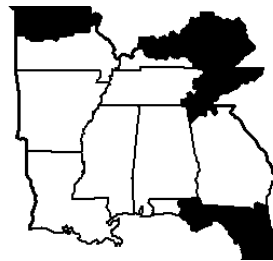
May 2025

Federal Order	Producer	Class I	Class I	Statistical
	Deliveries	Producer Receipts	Utilization	Uniform Price ¹
	Million Pounds	Million Pounds	Percent	\$/cwt
1 Northeast	2,413.8	653.3	27.0	19.59
5 Appalachian	423.8	300.0	70.8	20.98
6 Florida	200.5	164.1	81.8	22.90
7 Southeast	304.3	208.6	68.6	21.36
30 Upper Midwest	2,121.1	162.7	7.7	18.64
32 Central	1,321.9	336.7	25.5	18.41
33 Mideast	1,804.3	572.6	31.7	18.80
51 California	2,326.6	388.0	16.7	18.64
124 Pacific Northwest	520.7	122.6	23.6	18.49
126 Southwest	1,110.2	331.7	29.9	19.16
131 Arizona	372.5	119.4	32.0	19.17
All Orders	12,919.7	3,359.6	26.0	19.08

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



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