

Market Information BULLETIN

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Dairy Outlook

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

Dairy Forecast for 2025

Based on recent data concerning cow numbers and dairy slaughter, the 2025 forecast for the annual average number of dairy cows has been revised upward by 15,000 head to 9.435 million. The forecast for milk per cow is forecast at 24,200 pounds, 15 pounds higher than the previous forecast. Consequently, milk production in 2025 is now forecast at 228.3 billion pounds, an increase of 0.5 billion pounds from the last forecast. USDA, NASS will issue its Cattle report on July 25 which will include milk cow inventory data along with dairy replacement heifer numbers. The report will give insight into the current state of the herd and provide information to assist with the outlook for the remainder of 2025 and 2026.

The dairy import forecast for 2025 is lowered 0.1 billion to 8.5 billion pounds on a milk-fat basis and raised 0.1 billion to 6.9 billion pounds on a skim-solid basis. Lower imports are expected for butter, cheese, and milk protein concentrate.

Dairy export forecasts for 2025 are adjusted upward from last month's forecast. On a milk-fat basis, 2025 dairy exports are forecast at 13.8 (+0.2) billion pounds, while on a skim-solids basis the 2025 dairy export forecast was revised to 45.3 (+0.4) billion pounds. These adjustments take into consideration the most recent trade data, relative weakness of the U.S. dollar, and the expectation that domestic prices for butter and cheese maintain their competitive margins in the global markets. On a milk-fat basis, domestic use in 2025 is projected to 223.0 (+0.2) billion pounds, while on a skim-solids basis it is forecast at 186.8 (+0.1) billion pounds.

The 2025 average price forecasts for butter, NDM, and dry whey have been revised upward as follows: \$2.560 (+2.5 cents), \$1.260 (+1.0 cents), and \$0.575 (+1.0 cents) per pound, respectively. Conversely, given recent weaker-than expected domestic demand for cheese, the 2025 average price forecast for Cheddar cheese has been lowered to \$1.840 (-2.0 cents) per pound.

The changes in the product price forecasts support revisions for milk class prices as follows: for Class III milk to \$18.50 (-\$0.15) per cwt with the decrease in cheese price more than offsetting the increase in dry whey prices, and for Class IV to \$19.05 (+\$0.20) per cwt with higher prices for both butter and NDM. The all-milk price for 2025 is now forecast at \$22.00 per cwt, 5 cents higher than the previous forecast

Dairy Forecast for 2026

Dairy margins are expected to stay favorable in the second half of 2025 which, in turn, could have a lagged positive impact on the number of cows in 2026. Consequently, the forecast for the average size of the dairy herd in 2026 is revised upward by 30,000 head to 9.450 million head. The yield per cow is also revised upward by 20 pounds to 24,245 pounds. Milk production for 2026 is projected at 229.1 billion pounds, 0.9 billion pounds higher than last month's forecast.

On a milk-fat basis, the dairy import forecast for 2026 is raised 0.2 billion to 8.9 billion pounds and on a skim-solid basis, is decreased by 0.1 billion to 7.0 billion pounds.

With upward revisions to 2025 export forecasts, 2026 exports have also been revised upward from the previous forecast. On a milk-fat basis, dairy export volumes are forecast at 12.6 (+0.2) billion pounds, while on a skim-solids basis exports are projected at 46.7 (+0.2) billion pounds. The forecast revisions are supported by higher expected exports of cheese, dry whole milk, and condensed and evaporated milk

The domestic use forecasts for 2026 are raised from the last forecast. On a milk-fat basis, domestic use is projected at 224.6 billion pounds, 1.1 billion pounds higher than the previous estimate. On a skim-solids basis, domestic use is forecast at 188.5 billion pounds, 0.3 billion pounds higher than last month's projection.

Despite higher expected milk production, the 2026 forecasts for wholesale dairy product prices for butter, NDM, and dry whey are revised upward while the price forecast for Cheddar cheese is unchanged. The changes in the 2026 forecasts for dairy product prices reflect resilient demand for dairy products both domestically and internationally.

The adjusted wholesale dairy product price forecasts for 2026, in dollars per pound, are as follows: Cheddar cheese \$1.810 (unchanged), dry whey \$0.515 (+0.5 cents), butter \$2.535 (+5.5 cents), and NDM \$1.235 (+2.0 cents). The revised 2026 forecast for Class III milk is \$17.85 per cwt, \$0.05 higher than the previous forecast. With higher butter and NDM price projections, the Class IV price forecast for 2026 was raised to \$18.60 per cwt, \$0.40 higher than the previous projection. The all-milk price for 2026 is now forecast at \$21.65 per cwt, up \$0.35 from last month's forecast.



COMPUTATION OF UNIFORM PRICES

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

Producer Milk

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	78.33%	140,703,969	\$8.55 /cwt.	\$ 12,030,189.33
Class I Butterfat	51.57%	3,642,670	\$2.5730 /lb.	9,372,589.91
Class I Differential at Location		144,346,639		10,028,430.87
Total Class I Milk	77.31%	144,346,639		\$ 31,431,210.11
Class II Skim Milk	17.51%	31,460,489	\$9.14 /cwt.	\$ 2,875,488.68
Class II Butterfat	40.08%	2,831,056	\$2.7448 /lb.	7,770,682.52
Total Class II Milk	18.37%	34,291,545		\$ 10,646,171.20
Class III Skim Milk	1.15%	2,064,933	\$9.57 /cwt.	\$ 197,614.09
Class III Butterfat	2.21%	156,238	\$2.7378 /lb.	427,748.40
Total Class III Milk	1.19%	2,221,171		\$ 625,362.49
Class IV Skim Milk	3.01%	5,414,067	\$9.03 /cwt.	\$ 488,890.25
Class IV Butterfat	6.14%	433,450	\$2.7378 /lb.	1,186,699.40
Total Class IV Milk	3.13%	5,847,517		\$ 1,675,589.65
Classified Value	100.00%	186,706,872		\$ 44,378,333.45

Add: Value for 60(b) through 60(g) \$ 23,605.42
 Location Adjustments -\$ 234,091.91
 1/2 Balance in Producer Settlement Fund \$ 85,235.19

Producer Butterfat at Uniform Butterfat Price -\$ 19,011,178.78

Total Skim Milk and Aggregate Value \$ 14.05111 \$ 25,241,903.37
 Producer Settlement Fund Reserve \$ 0.04111 \$ 73,854.91

Uniform Skim Milk Price (Hillsborough County, FL): \$14.01 /cwt
Uniform Butterfat Price: \$2.6915 /lb
Uniform Price (Hillsborough County, FL): \$22.94 /cwt

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

Producer Milk

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	67.21%	181,261,670	\$8.55 /cwt.	\$ 15,497,872.79
Class I Butterfat	42.70%	4,789,374	\$2.5730 /lb.	12,323,059.29
Class I Differential at Location		186,051,044		8,789,272.59
Total Class I Milk	66.23%	186,051,044		\$ 36,610,204.67
Class II Skim Milk	18.77%	50,607,276	\$9.14 /cwt.	\$ 4,625,505.04
Class II Butterfat	40.58%	4,553,311	\$2.7448 /lb.	12,497,928.03
Total Class II Milk	19.64%	55,160,587		\$ 17,123,433.07
Class III Skim Milk	2.20%	5,933,577	\$9.57 /cwt.	\$ 567,843.33
Class III Butterfat	2.45%	275,172	\$2.7378 /lb.	753,365.90
Total Class III Milk	2.21%	6,208,749		\$ 1,321,209.23
Class IV Skim Milk	11.82%	31,875,451	\$9.03 /cwt.	\$ 2,878,353.23
Class IV Butterfat	14.27%	1,601,407	\$2.7378 /lb.	4,384,332.08
Total Class IV Milk	11.92%	33,476,858		\$ 7,262,685.31
Classified Value	100.00%	280,897,238		\$ 62,317,532.28

Add: Value for 60(b) through 60(g) \$ 70,209.94
 Location Adjustments \$ 3,452,934.60
 1/2 Balance in Producer Settlement Fund \$ 137,779.68

Producer Butterfat at Uniform Butterfat Price -\$ 30,185,429.79

Total Skim Milk and Aggregate Value \$ 13.27250 \$ 35,793,026.71
 Producer Settlement Fund Reserve \$ 0.04250 \$ 114,630.75

Uniform Skim Milk Price (Fulton County, GA): \$13.23 /cwt
Uniform Butterfat Price: \$2.6905 /lb
Uniform Price (Fulton County, GA): \$22.18 /cwt

POOL HIGHLIGHTS

F.O. 6 - Florida: June 2025

Producer Milk Utilization:

Class I:	77.31%
Class II:	18.37%
Class III:	1.19%
Class IV:	3.13%

The Uniform Price

for June 2025 was announced at \$22.94, a decrease of \$ 1.78 from June 2024.

Total Producer Milk

for June 2025 totaled 186.7 million pounds, an increase of 1.1 million pounds from June 2024.

Total Class I Milk

for June 2025 was 144.3 million pounds, a decrease of 3.8 million pounds from June 2024.

Class I Utilization

for June 2025 was 77.31%, a decrease of 2.52 percentage points from June 2024.

F.O. 7 - Southeast: June 2025

Producer Milk Utilization:

Class I:	66.23%
Class II:	19.64%
Class III:	2.21%
Class IV:	11.92%

The Uniform Price

for June 2025 was announced at \$22.18 an decrease of \$1.05 from June 2024.

Total Producer Milk

for June 2025 totaled 280.9 million pounds, a decrease of 25.8 million pounds from June 2024.

Total Class I Milk

for June 2025 was 186.1 million pounds, an increase of 1.7 million pounds from June 2024.

Class I Utilization

for June 2025 was 66.23%, a increase of 6.12 percentage points from June 2024.

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in June 2025 is \$22.94 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$14.01 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6915 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during June 2025 totaled 186.7 million pounds. Florida producers supplied 162.9 million pounds of milk in June 2025 or an estimated 87.26% of producer milk pooled in Florida. In June 2024, they supplied approximately 85.08% of producer milk pooled in 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 June 2025. Total in-area Class I route disposition was 184.7 million pounds in June 2025, a decrease of 11.9 million pounds from June 2024.

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2025 is \$22.18 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.23 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6905 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during June 2025 totaled 280.9 million pounds. There were 13 regulated pool distributing plants, 1 pool supply plant, and 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2025. Total in-area Class I route disposition was 263.7 million pounds in June 2025, an increase of 10.6 million pounds from June 2024.

WASDE Dairy Report ^{1/} WASDE – 662, July 11, 2025

The milk production forecasts for 2025 and 2026 are raised from last month on higher cow inventories and an increased rate of growth in milk per cow based on the latest NASS Milk Production report.

For 2025, commercial dairy exports are raised on both a fat and skim-solids basis, primarily on increased shipments of cheese and dried skim milk products. For 2026, commercial exports are also raised on both a fat and skim-solids basis.

Commercial imports for 2025 are lowered on a fat basis but increased on a skim-solids basis. For 2026, fat basis imports are raised while skim-solids basis imports are lowered. For 2025, the price forecast for cheese is lowered on recent prices. Butter, nonfat dry milk (NDM), and whey prices are increased from the previous month's forecast on robust demand.

The Class III price for 2025 is lowered, as lower cheese prices more than offset higher whey prices.

The Class IV price is raised on higher butter and NDM prices. The all-milk price is forecast higher at \$22.00 per cwt. For 2026, butter, NDM, and whey prices are raised, while the cheese price is unchanged. The Class III price is raised on increased whey prices. The Class IV price is raised on higher butter and NDM prices. The all-milk price is raised to \$21.65 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

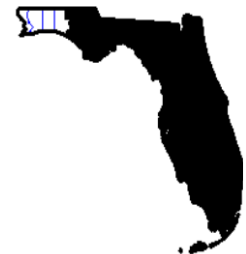
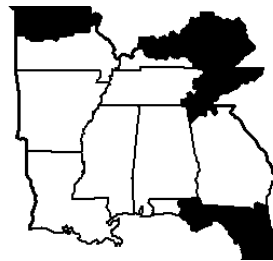
June 2025

Federal Order	Producer	Class I	Class I	Statistical
	Deliveries	Producer Receipts	Utilization	Uniform Price ¹
	Million Pounds	Million Pounds	Percent	\$/cwt
1 Northeast	2,279.1	593.9	26.1	20.16
5 Appalachian	403.9	274.0	67.8	21.94
6 Florida	186.7	144.3	77.3	22.94
7 Southeast	280.9	186.1	66.2	22.18
30 Upper Midwest	2,206.0	142.3	6.4	19.10
32 Central	1,100.4	309.7	28.1	19.29
33 Mideast	1,792.6	516.8	28.8	19.37
51 California	2,307.5	371.6	16.1	18.93
124 Pacific Northwest	496.1	103.4	20.8	18.88
126 Southwest	757.7	283.3	37.4	19.34
131 Arizona	319.2	99.7	31.3	19.00
All Orders	12,130.1	3,025.0	24.9	19.55

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



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