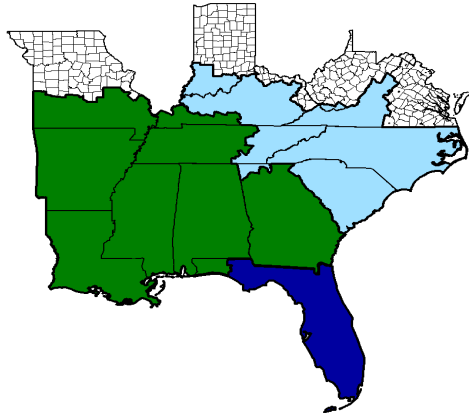




The Market Administrator's Monthly Newsletter

Appalachian, Florida, and Southeast Marketing Areas
July 2026

Richard J. Holt, Jr. Acting Market Administrator
Federal Order No. 5, 6 & 7

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June Statistical Uniform Price

The June 2026 statistical uniform price for the Appalachian Marketing Area was announced at \$26.05 per hundredweight at the base zone of Mecklenburg County, North Carolina, the pricing point for FO 5.

The June 2026 statistical uniform price for the Florida Marketing Area was announced at \$27.41 per hundredweight at the base zone of Hillsborough County, Florida, the pricing point for FO 6.

The June 2026 statistical uniform price for the Southeast Marketing Area was announced at \$26.48 per hundredweight at the base zone of Fulton County, Georgia, the pricing point for FO 7.

Class I Insights for F.O. 5, 6, & 7

In June, the Appalachian Marketing Area reported 286.1 million pounds of Class I producer milk, representing 72.13% of total producer receipts. In-area Class I route disposition totaled 238.4 million pounds in FO 5. The Florida Marketing Area had 152.1 million pounds of Class I producer milk, accounting for 77.12% of receipts. Total in-area Class I route disposition was 190.5 million pounds. The Southeast Marketing Area reported 215.2 million pounds of Class I producer milk, or 73.61% of receipts. FO 7 in-area Class I route disposition totaled 280.4 million pounds. The consistently high Class I utilization across these areas highlights the region's continued reliance on fluid milk sales as a key driver of the market.

Product Prices Effect

Commodity prices for June saw some slight decreases and an increase on a per-pound basis: butter price decreased \$0.01, nonfat dry milk price decreased by \$0.15, the cheese price decreased by \$0.09, while dry whey increased \$0.003, all on a per pound basis. The Class I price for June increased by \$2.03. The Class I prices for the Appalachian, Florida and Southeast Orders were: \$27.78/cwt, \$28.98/cwt, and \$27.98/cwt, respectively.

Pool Summary

Total Producers pooled:

- FO 5: 859
- FO 6: 59
- FO 7: 557

Pooled milk pounds total:

- FO 5: 396.6 million
- FO 6: 197.2 million
- FO 7: 292.3 million

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UPCOMING PRICE RELEASE DATES:

July 2026 Prices

Class Prices: 08/05/26

September 2026 Prices

Advanced Prices: 08/19/26

Appalachian Statistical Summary

June 2026

	JUNE 2026	MAY 2026	JUNE 2025
PRICES: (Base Zone)			
Uniform Price	26.05	24.02	21.94
Class I Price	27.78	25.75	22.86
Class II Price	22.78	20.28	18.43
Class III Price	15.98	16.92	18.82
Class IV Price	20.96	22.32	18.30
Uniform Skim Milk Price	20.72	18.39	12.97
Class I Skim Milk Price	22.35	19.72	14.15
Class II Skim Milk Price	17.45	14.82	9.14
Class III Skim Milk Price	10.43	11.37	9.57
Class IV Skim Milk Price	15.59	16.96	9.03
Uniform Butterfat Price	1.7299	1.7914	2.6927
Class I Butterfat Price	1.7745	1.9209	2.6290
Class II Butterfat Price	1.6970	1.7071	2.7448
Class III Butterfat Price	1.6900	1.7001	2.7378
Class IV Butterfat Price	1.6900	1.7001	2.2378
Class I ESL Adjustment	-\$1.51	-\$0.49	1.38
PRODUCER MILK:			
Class I	286,081,036	286,454,818	273,950,818
Class II	72,645,915	82,864,378	79,762,768
Class III	3,222,907	29,368,024	22,413,735
Class IV	7,671,809	26,665,411	27,801,656
Total Producer Milk	396,621,667	425,352,631	403,928,977
PERCENT PRODUCER MILK IN:			
Class I	72.13	67.35	67.82
Class II	18.32	19.48	19.75
Class III	7.62	6.90	5.55
Class IV	1.93	6.27	6.88

Effective June 2025, the Class I skim milk price is announced at the higher of the advanced Class III and IV skim milk pricing factors plus the base zone (Mecklenburg County, NC) differential of \$5.60 and is subject to location adjustments.

Effective June 2025, the Class I Extended Shelf Life (ESL) Adjustment for ESL products is equal to the average of the advanced Class III and Class IV skim pricing factors less the higher of the advanced Class III and Class IV skim pricing factors plus a 24-month rolling average adjuster with a 12-month lag.

Florida Statistical Summary

June 2026

	JUNE 2026	MAY 2026	JUNE 2025
PRICES: (Base Zone)			
Uniform Price	\$27.41	\$25.45	\$22.94
Class I Price	28.98	26.95	24.06
Class II Price	22.78	20.28	18.43
Class III Price	15.98	16.92	18.82
Class IV Price	20.96	22.32	18.30
Uniform Skim Milk Price	\$22.08	\$19.76	\$14.01
Class I Skim Milk Price	23.55	20.92	15.35
Class II Skim Milk Price	17.45	14.82	9.14
Class III Skim Milk Price	10.43	11.37	9.57
Class IV Skim Milk Price	15.59	16.96	9.03
Uniform Butterfat Price	\$1.7441	\$1.8238	\$2.6915
Class I Butterfat Price	1.7865	1.9329	2.6410
Class II Butterfat Price	1.6970	1.7071	2.7448
Class III Butterfat Price	1.6900	1.7001	2.7378
Class IV Butterfat Price	1.6900	1.7001	2.7378
Class I ESL Adjustment	-\$1.51	-\$0.49	1.38
PRODUCER MILK:			
Class I	152,107,650	157,840,856	144,346,639
Class II	38,500,343	28,777,325	34,291,545
Class III	4,797,261	5,483,161	2,221,171
Class IV	1,843,070	1,910,049	5,847,517
Total Producer Milk	197,248,324	194,011,391	186,706,872
PERCENT PRODUCER MILK IN:			
Class I	77.12	81.36	77.31
Class II	19.52	14.83	18.37
Class III	2.43	2.83	1.19
Class IV	0.93	0.98	3.13

Effective June 2025, the Class I skim milk price is announced at the higher of the advanced Class III and IV skim milk pricing factors plus the base zone (Hillsborough County, FL) differential of \$6.80 and is subject to location adjustments.

Effective June 2025, the Class I Extended Shelf Life (ESL) Adjustment for ESL products is equal to the average of the advanced Class III and Class IV skim pricing factors less the higher of the advanced Class III and Class IV skim pricing factors plus a 24-month rolling average adjuster with a 12-month lag.

Southeast Statistical Summary

June 2026

	JUNE 2026	MAY 2026	JUNE 2025
PRICES: (Base Zone)			
Uniform Price	\$26.48	\$24.31	\$22.18
Class I Price	27.98	25.95	23.06
Class II Price	22.78	20.28	18.43
Class III Price	15.98	16.92	18.82
Class IV Price	20.96	22.32	18.30
Uniform Skim Milk Price	\$21.17	\$18.69	\$13.23
Class I Skim Milk Price	22.55	19.92	14.35
Class II Skim Milk Price	17.45	14.82	9.14
Class III Skim Milk Price	10.43	11.37	9.57
Class IV Skim Milk Price	15.59	16.96	9.03
Uniform Butterfat Price	\$1.7298	\$1.7926	\$2.6905
Class I Butterfat Price	1.7765	1.9229	2.6310
Class II Butterfat Price	1.6970	1.7071	2.7448
Class III Butterfat Price	1.6900	1.7001	2.7378
Class IV Butterfat Price	1.6900	1.7001	2.7378
Class I ESL Adjustment	-\$1.51	-\$0.49	1.38
PRODUCER MILK:			
Class I	215,161,665	213,973,406	186,051,044
Class II	53,687,324	52,985,586	55,160,587
Class III	15,948,489	28,727,446	6,208,749
Class IV	7,470,003	20,948,884	33,476,858
Total Producer Milk	292,267,481	316,635,322	280,897,238
PERCENT PRODUCER MILK IN:			
Class I	73.61	67.58	66.23
Class II	18.37	16.73	19.64
Class III	5.46	9.07	2.21
Class IV	2.56	6.62	11.92

Effective June 2025, the Class I skim milk price is announced at the higher of the advanced Class III and IV skim milk pricing factors plus the base zone (Fulton County, GA) differential of \$5.80 and is subject to location adjustments.

Effective June 2025, the Class I Extended Shelf Life (ESL) Adjustment for ESL products is equal to the average of the advanced Class III and Class IV skim pricing factors less the higher of the advanced Class III and Class IV skim pricing factors plus a 24-month rolling average adjuster with a 12-month lag.

Dairy Outlook

Dairy Forecasts for 2026

Based on recent data showing higher-than-expected number of cows, low slaughter rates, adequate milk margins above feed costs, longer expected cow retention due to beef on dairy, and tight replacements stocks, the new forecast for the national number of dairy cows for 2026 was adjusted to 9.660 million head, 15,000 higher than the previous forecast.

The milk per cow forecast was adjusted to 24,495 pounds, 15 pounds lower than the previous forecast. Consequently, the new forecast for 2026 milk production is 236.6 billion pounds, an increase of 0.2 billion pounds from the last forecast. USDA, NASS will release its Cattle report on July 24, including milk cow and dairy replacement heifer data. The report will offer updated information to help future forecasts for the rest of 2026 and 2027.

The dairy import forecast for 2026 increased by 0.4 billion to 8.2 billion pounds on a milk-fat basis and by 0.1 billion to 6.8 billion pounds on a skim-solids basis. Despite forecasted domestic prices, higher imports are expected for cheese, butter, and a variety of fluid and cream products.

Export forecast adjustments were mixed from last month's forecast. On a milk-fat basis, 2026 dairy exports were unchanged at 20.6 billion pounds, while on a skim-solids basis the 2026 dairy export forecast was revised upward to 49.9 (+0.5) billion pounds due to higher expected cheese and dry whey exports. International market conditions are expected to continue to be favorable for U.S. dairy exporters.

The forecast for ending stocks for 2026 on a milk fat basis is increased from last month's projection. Despite lower expected prices, cheese and butter inventories are expected to build due to higher milk supplies. Ending skim-solids stocks are expected to decrease from the last forecast, mainly due to strong demand for dry skim milk and dry whey ingredients.

On a milk-fat basis, the 2026 domestic disappearance forecast is 223.5 billion pounds (+0.5 billion), reflecting an expected increase in domestic use of high-fat products from the last projection. On a skim-solids basis, the forecast remains unchanged at 192.8 billion pounds.

With increases in milk production expected to direct more milk into manufacturing and based on recent price movements, the 2026 wholesale price forecasts for cheddar cheese, butter, and NDM have been lowered to \$1.570 (-4.0 cents), \$1.690 (-5.0 cents), and \$1.615 (-8.5 cents) per pound, respectively. The dry whey price remains unchanged at \$0.660 per pound.

These commodity price revisions result in corresponding reductions in milk class prices. The Class III price has been lowered to \$16.15 (-\$0.45) per cwt, reflecting reduced cheese prices and unchanged dry whey price. The Class IV price has been lowered to \$18.40 (-\$0.95) per cwt due to decreases in both butter and NDM prices. The all-milk price for 2026 is now projected at \$20.00 per cwt, 70 cents below the previous forecast.

Dairy Forecasts for 2027

Dairy herd expansion is projected to continue from 2026 into 2027. The forecast for the average size of the dairy herd in 2027 has been revised upward by 45,000 head, bringing the average to 9.695 million. Yield per cow remains unchanged at 24,560 pounds. As a result, milk production for 2027 is projected at 238.1 billion pounds, 1.1 billion pounds higher than last month's forecast.

Dairy Outlook

Dairy Forecasts for 2027 Cont'd.

Dairy imports for 2027 have been revised upward from the previous forecast. On a milk-fat basis, import volumes are projected at 8.4 billion pounds (+0.3 billion), while on a skim-solids basis, imports are forecast at 6.9 billion pounds (+0.1 billion). These upward revisions reflect higher expected imports of butter and some miscellaneous dairy products.

Dairy exports for 2027 have also been revised upward. On a milk-fat basis, export volumes are forecast at 21.0 billion pounds (+0.3 billion), while on a skim-solids basis, exports are projected at 49.9 billion pounds (+0.6 billion). These revisions are supported by higher expected exports of cheese, butter, dry skim milk products, and dry whey on favorable market conditions.

Driven by higher milk supplies, lower milk prices, and strong domestic demand for dairy products, the domestic use forecasts for 2027 have been raised. On a milk-fat basis, domestic use is projected at 224.7 billion pounds, an increase of 0.9 billion pounds from the previous forecast. On a skim-solids basis, domestic use is forecast at 194.3 billion pounds, 0.3 billion pounds higher than last month's projection.

With higher milk supplies available for manufacturing, prices for key commodities were adjusted downward from last month's forecast. The 2027 wholesale price forecasts for cheddar cheese, butter, and NDM have been revised to \$1.665 (-4.5 cents), \$1.750 (-7.0 cents), and \$1.470 (-10.5 cents) per pound, respectively, while the dry whey price remains unchanged at \$0.650 per pound.

These commodity price revisions support reductions in milk class prices. The 2027 Class III price is now forecast at \$17.05 (-\$0.50) per cwt, reflecting lower cheese prices and an unchanged dry whey price. The Class IV price has been lowered to \$17.40 (-\$1.20) per cwt due to decreased prices for both butter and NDM. The all-milk price for 2027 is now forecast at \$19.85 per cwt, \$1.05 below the previous projection.

Recent Dairy Supply and Use Data

The all-milk price in May 2026 averaged \$21.30 per hundredweight (cwt), 10 cents lower year over year. Meanwhile, May 2026 feed costs, as reported for the USDA, Dairy Margin Coverage Program (DMC) were 22 cents per cwt lower than the same period in 2025, with lower premium alfalfa and corn offsetting higher soybean meal prices. In May 2026, the DMC farm margin above feed cost was estimated at \$10.62 per cwt, 22 cents higher than May 2025 and 8 cents higher than April 2026.

With favorable farm margins and low dairy cow slaughter rates, the National dairy herd continued to expand in May. According to the most recent USDA, NASS Milk Production report, the number of cows averaged 9.665 million head in May 2026, 184,000 more than in May 2025. The USDA, NASS milk per cow estimate for May 2026 was 2,128 pounds, about 0.4 percent higher than in May 2025. Consequently, May milk production was estimated at 20.565 billion pounds, about 2.3 percent higher year over year.

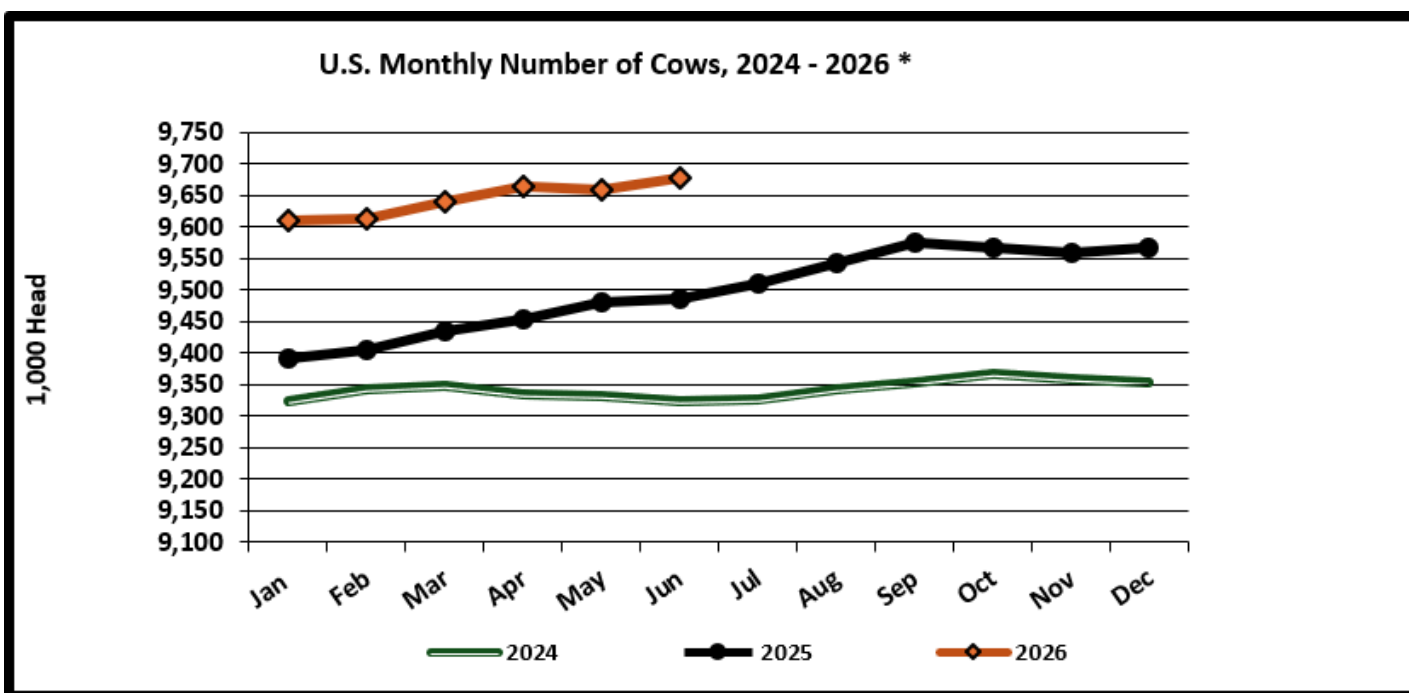
Milk Production

June Milk Production up 2.4 percent

Milk production in the 24 major States during June totaled 18.9 billion pounds, up 2.4 percent from June 2025. May revised production, at 19.7 billion pounds, was up 2.2 percent from May 2025. The May revision represented a decrease of 43 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,051 pounds for June, 7 pounds above June 2025.

The number of milk cows on farms in the 24 major States was 9.23 million head, 185,000 head more than June 2025, and 18,000 head more than May 2026.



April-June Milk Production

Milk production in the United States during the April - June quarter totaled 60.2 billion pounds, up 2.4 percent from the April - June quarter last year.

The average number of milk cows in the United States during the quarter was 9.67 million head, 44,000 head more than the January - March quarter, and 192,000 head more than the same period last year.

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Federal Order Statistics for June 2026

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,318.7	622.1	26.8	22.20
5	Appalachian	396.6	286.1	72.1	26.05
6	Florida	197.2	152.1	77.1	27.41
7	Southeast	292.3	215.2	73.6	26.48
30	Upper Midwest	2,664.8	153.2	5.8	16.85
32	Central	1,254.6	326.5	26.0	19.57
33	Mideast	1,577.1	527.9	33.5	20.75
51	California	1,868.5	383.0	20.5	18.64
124	Pacific Northwest	380.2	61.7	16.2	18.49
126	Southwest	1,144.7	298.2	26.1	19.52
131	Arizona	385.6	96.6	25.1	21.52
All Orders		12,480.2	3,122.4	25.0	20.00

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

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