

Market Information BULLETIN

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Dairy Outlook

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

Dairy Forecast for 2024

The October forecast for 2024 dairy milk production is lower than the previous month's forecast. The dairy herd size is expected to remain unchanged at 9.335 million head, but the milk yield per cow is now forecast to be 24,195 pounds, 5 pounds less than the previous estimate on slightly less growth in milk per cow due to an aging productive cow inventory and limited replacement heifer inventory. This reduction in yield per cow is expected to result in a total milk production of 225.8 billion pounds in 2024, which is 0.1 billion pounds lower than the previous forecast and 0.56 billion pounds lower than the 2023 production level. Despite improving margins for dairy farmers in 2024, the dairy herd is anticipated to remain below 2023 levels due to a limited replacement inventory.

The revised forecast for 2024 U.S. dairy product imports on a milk-fat basis has been increased to 9.3 billion pounds, which is 0.3 billion pounds higher than the previous estimate. The projection for imports on a skim-solids basis remains unchanged at 6.9 billion pounds. The increase in the overall import forecast is primarily due to higher projected imports of butter and cheese, which more than offset lower imports of other dairy products.

Projections for 2024 exports on a milk-fat basis are unchanged from last month's forecast at 11.6 billion pounds, while exports on a skim-solids basis are forecast at 49.2 (+0.3) billion pounds. Higher expected exports of skim milk products and dry whey products more than offset lower expected exports of other dairy products. The revised forecast for 2024 U.S. dairy product domestic use on a milk-fat basis is increased to 222.7 billion pounds, 0.1 billion pounds higher than the previous estimate.

The projection for domestic use on a skim-solids basis is decreased to 183.0 billion pounds, 0.1 billion pounds lower than the previous estimate. In 2024, domestic dairy product use is forecast to decline from 2023 levels, primarily driven by reduced milk production and elevated domestic prices for key dairy products throughout the year. Based on recent dairy price developments, the 2024 revisions for wholesale price forecasts for all dairy products were mixed. The new forecasts are as follows: Cheddar cheese \$1.885 (-4.50 cents), dry whey \$0.480 (+0.50 cent), butter \$2.925 (-7.5 cents), and NDM \$1.230 (+1.00 cent) per pound.

The new forecast for Class III milk is \$19.05 per cwt, \$0.40 lower than the previous forecast. The Class IV price forecast is \$20.80 per cwt, \$0.20 lower than the previous projection. The all-milk price for 2024 is now forecast at \$22.80 per cwt, \$0.25 lower than last month's forecast.

Highly Pathogenic Avian Influenza (HPAI)

Since the first detection of highly pathogenic avian influenza (HPAI) H5N1 in dairy cattle in March 2024, USDA has worked swiftly and diligently to assess the prevalence of the virus in the U.S. dairy herds and respond accordingly. USDA's Animal and Plant Health Inspection Service (APHIS), working closely with state officials and other federal partners, is leading efforts to prevent further spread, establish herd monitoring, and help producers enhance on-farm biosecurity measures. USDA also provides financial support to off-set costs related to production losses and enhanced biosecurity.

On April 24, USDA issued an *H5N1 Federal Order* mandating testing prior to the interstate movement of lactating dairy cattle and requires reporting of positive test results in livestock. Testing and reporting are crucial for understanding the extent of the virus and reducing further spread.

Enhanced biosecurity procedures are critical in keeping disease off farms and preventing further spread on affected farms. USDA continues to encourage biosecurity measures such as limiting visitors, cleaning and disinfecting milking equipment, avoiding the mixing of species, and monitoring and caring for sick animals.

USDA's voluntary H5N1 Dairy Herd Status Pilot Program enables producers to monitor their herds for HPAI via a weekly bulk milk sample. Once testing demonstrates a herd is free of the virus for three consecutive weeks, the program allows shipment of cows without having to test each one, as required under the *H5N1 Federal Order*.

With recognition of the challenges HPAI H5N1 causes for producers, USDA offers financial support to help dairy producers enhance biosecurity and offset costs associated with Influenza A testing, veterinary expenses, personal protective equipment purchases, milk disposal, and milk losses. Producers can contact their [Area Veterinarian in Charge](#) or [State animal health official](#) to enroll.

More details on the *H5N1 Federal Order*, Biosecurity, and participation in the Dairy Herd Status Program and the USDA financial support programs are online at: [HPAI in Livestock | Animal and Plant Health Inspection Service \(usda.gov\)](#)

National FMMO Hearing

Public comments and other information pertaining to the National Federal Milk Marketing Order Pricing Hearing are available at the following link:

<https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing>

COMPUTATION OF UNIFORM PRICES

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

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	82.37%	160,931,485	\$9.49 /cwt.	\$ 15,272,397.93
Class I Butterfat	47.42%	3,777,001	\$3.5538 /lb.	13,422,706.16
Class I Differential at Location		164,708,486		9,115,727.56
Total Class I Milk	81.01%	164,708,486		\$ 37,810,831.65
Class II Skim Milk	14.30%	27,931,559	\$10.09 /cwt.	\$ 2,818,294.30
Class II Butterfat	46.57%	3,709,270	\$3.6184 /lb.	13,421,622.57
Total Class II Milk	15.56%	31,640,829		\$ 16,239,916.87
Class III Skim Milk	0.82%	1,595,535	\$11.09 /cwt.	\$ 176,944.83
Class III Butterfat	1.16%	92,540	\$3.6114 /lb.	334,198.96
Total Class III Milk	0.83%	1,688,075		\$ 511,143.79
Class IV Skim Milk	2.51%	4,901,094	\$10.00 /cwt.	\$ 490,109.40
Class IV Butterfat	4.85%	386,276	\$3.6114 /lb.	1,394,997.16
Total Class IV Milk	2.60%	5,287,370		\$ 1,885,106.56
Producer Milk	100.00%	203,324,760		\$ 56,446,998.87
Adjustments				
Overage and Other Source				\$ 560.09
Inventory Adjustments				\$ 2,247.74
Producer Butterfat at Uniform Butterfat Price				-\$ 28,783,434.89
Location Adjustments				-\$ 253,614.56
1/2 Balance in Producer Settlement Fund				\$ 78,499.68
Total Skim Milk and Aggregate Value			\$ 14.07212	\$ 27,491,256.93
Producer Settlement Fund Reserve			\$ 0.04212	\$ 82,294.81
Uniform Skim Milk Price (Hillsborough County, FL):			\$14.03 /cwt	
Uniform Butterfat Price:			\$3.6137 /lb	
Uniform Price (Hillsborough County, FL):			\$26.19 /cwt	

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

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	80.58%	206,939,683	\$9.49 /cwt.	\$ 19,638,575.93
Class I Butterfat	47.23%	5,145,487	\$3.5538 /lb.	18,286,031.71
Class I Differential at Location		212,085,170		6,721,432.76
Total Class I Milk	79.22%	212,085,170		\$ 44,646,040.40
Class II Skim Milk	12.96%	33,292,677	\$10.09 /cwt.	\$ 3,359,231.10
Class II Butterfat	38.94%	4,242,869	\$3.6184 /lb.	15,352,397.20
Total Class II Milk	14.02%	37,535,546		\$ 18,711,628.30
Class III Skim Milk	0.81%	2,085,980	\$11.09 /cwt.	\$ 231,335.19
Class III Butterfat	1.02%	111,583	\$3.6114 /lb.	402,970.85
Total Class III Milk	0.82%	2,197,563		\$ 634,306.04
Class IV Skim Milk	5.65%	14,520,043	\$10.00 /cwt.	\$ 1,452,004.30
Class IV Butterfat	12.81%	1,395,351	\$3.6114 /lb.	5,039,170.62
Total Class IV Milk	5.94%	15,915,394		\$ 6,491,174.92
Producer Milk	100.00%	267,733,673		\$ 70,483,149.66
Adjustments				
Overage and Other Source				\$ 0.00
Inventory Adjustments				\$ 13,289.84
Producer Butterfat at Uniform Butterfat Price				-\$ 39,243,745.05
Location Adjustments				\$ 1,819,960.82
1/2 Balance in Producer Settlement Fund				\$ 36,478.22
Total Skim Milk and Aggregate Value			\$ 12.89103	\$ 33,109,133.49
Producer Settlement Fund Reserve			\$ 0.04103	\$ 105,401.28
Uniform Skim Milk Price (Fulton County, GA):			\$12.85 /cwt	
Uniform Butterfat Price:			\$3.6019 /lb	
Uniform Price (Fulton County, GA):			\$25.01 /cwt	

POOL HIGHLIGHTS

F.O. 6 - Florida: September 2024

Producer Milk Utilization:

Class I:	81.01%
Class II:	15.56%
Class III:	0.83%
Class IV:	2.60%

The Uniform Price
for September 2024 was announced at \$26.19, an increase of \$2.60 from September 2023.

Total Producer Milk
for September 2024 totaled 203.3 million pounds, a decrease of 2.2 million pounds from September 2023.

Total Class I Milk
for September 2024 was 164.7 million pounds, an decrease of 2.8 million pounds from September 2023.

Class I Utilization
for September 2024 was 81.01%, a decrease of 0.51 percentage points from September 2023.

F.O. 7 - Southeast: September 2024

Producer Milk Utilization:

Class I:	79.22%
Class II:	14.02%
Class III:	0.82%
Class IV:	5.94%

The Uniform Price
for September 2024 was announced at \$25.01 an increase of \$2.64 from September 2023.

Total Producer Milk
for September 2024 totaled 267.7 million pounds, a decrease of 7.7million pounds from September 2023.

Total Class I Milk
for September 2024 was 212.1 million pounds, a decrease of 2.6 million pounds from September 2023.

Class I Utilization
for September 2024 was 79.22%, an increase of 1.28 percentage points from September 2023.

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in September 2024 is \$26.19 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$14.03 per hundredweight plus 3.5 times the uniform butterfat price of \$3.6137 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during Sept. 2024 totaled 203.3 million pounds. Florida producers supplied 147.4 million pounds of milk in September 2024 or an estimated 72.48% of the producer milk pooled in Florida. In Sept. 2023, they supplied approximately 72.81% 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 September 2024. Total in-area Class I route disposition was 207.2 million pounds in September 2024, a decrease of 2.9 million pounds from September 2023.

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2024 is \$25.01 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.85 per hundredweight plus 3.5 times the uniform butterfat price of \$3.6019 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during September 2024 totaled 267.7 million pounds. There were 14 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 September 2024. Total in-area Class I route disposition was 287.3 million pounds in September 2024, a decrease of 9.2 million pounds from September 2023.

WASDE Dairy Report ^{1/} WASDE – 653-5, October 11, 2024

The milk production forecast for 2024 is lowered from last month on slightly less growth in milk per cow. The milk production forecast for 2025 is also reduced on slower growth in milk per cow.

The fat basis import forecast for 2024 is raised on higher expected imports of primarily cheese and butter. Fat basis imports for 2025 are raised on higher cheese and butter imports. Skim-solids imports are unchanged for 2024 but raised for 2025 on higher imports of cheese and a number of other dairy products. The fat basis export forecast for 2024 is unchanged, but exports for 2025 are raised on higher butter shipments. The skim-solids export forecast for 2024 is raised on higher nonfat dry milk (NDM) shipments, but the 2025 forecast is lowered on weaker competitiveness for NDM and whey.

Recent declines in butter and cheese prices are reflected in lower 2024 and 2025 price forecasts. NDM and whey prices are raised for both years on recent price strength and expected demand strength. The Class III price forecasts are lowered for both 2024 and 2025, as price declines in cheese more than offset higher whey prices. The Class IV price forecasts are also lower than the previous month for both 2024 and 2025, with lower butter prices partially offset by higher NDM prices.

The all-milk price forecast for 2024 is lowered to \$22.80 per cwt and the 2025 forecast is lowered to \$22.75 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/.

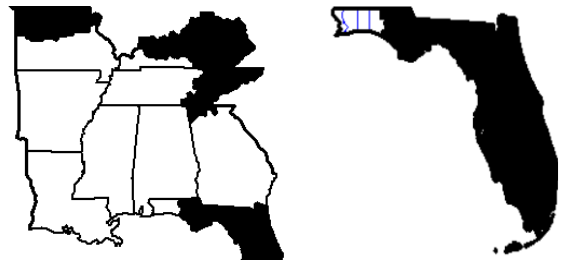
Federal Milk Marketing Order Statistics

September 2024

Federal Order	Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price ¹
	Million Pounds	Million Pounds	Percent	\$/cwt
1 Northeast	2,174.9	638.5	29.4	23.57
5 Appalachian	419.0	299.1	71.4	24.48
6 Florida	203.3	164.7	81.0	26.19
7 Southeast	267.7	212.1	79.2	25.01
30 Upper Midwest	1,628.0	157.1	9.6	23.10
32 Central	1,052.1	340.9	32.4	22.41
33 Mideast	1,610.4	568.2	35.3	22.72
51 California	1,620.2	389.8	24.1	22.45
124 Pacific Northwest	588.0	129.1	22.0	22.59
126 Southwest	811.0	322.5	39.8	22.89
131 Arizona	306.9	100.5	32.8	22.94
All Orders ¹	10,681.4	3,322.3	31.1	23.08

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

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