

# Market Information BULLETIN

## FO 6 & 7

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### Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, November 15, 2024, USDA, Economic, Research Service*

### Dairy Forecast for the Remainder of 2024

Based on recent data indicating higher-than-expected dairy cow inventory, the 2024 forecast for the average number of milk cows has been adjusted upward by 15,000 head to 9.345 million head. Additionally, the estimated milk yield per cow has been revised upward by 5 pounds to 24,220 pounds. As a result, the 2024 milk production forecast has been increased by 0.3 billion pounds to 226.3 billion pounds. However, this remains 0.1 billion pounds below the 2023 level.

Based on recent trade data, the export forecast for the remainder of 2024 is adjusted. On a milk-fat basis, the 2024 export forecast is increased to 11.7 billion pounds (+0.1 billion) due to higher anticipated cheese and butter exports. On a skim-solids basis, the forecast is reduced to 49.4 billion pounds (-0.1 billion) due to lower anticipated exports of dry skim milk products and dry whey exports on less competitive prices; however, lactose exports are expected to increase.

Dairy imports are expected to decline for the remainder of 2024. On a milk-fat basis, the 2024 dairy import forecast declined by 0.1 billion to 9.2 billion pounds. On a skim-solids basis, the 2024 dairy import forecast declined by 0.1 billion to 6.8 billion pounds. For the remainder of the year, imports of cheese, casein, and milk protein concentrate are expected to decline, outweighing increases in butter and infant formula imports.

Domestic use forecasts for the year have been increased to 222.9 billion pounds for milk-fat (+0.3 billion) and 182.8 billion pounds for skim-solids (+0.2 billion).

Considering recent dairy price movements, the 2024 price forecasts are adjusted. For 2024, on a per pound basis, the prices are forecast as follows: Cheddar cheese \$1.865 (-2.0 cents), NDM \$1.240 (no change), dry whey \$0.490 (+0.5 cents), and butter \$2.890 (-0.5 cents).

With the lower cheese price forecast more than offsetting the higher price forecast for dry whey, the 2024 Class III milk price forecast is decreased to \$18.90 (-\$0.15) per hundredweight (cwt). Although the butter price forecast has been lowered for the fourth quarter and the NDM price forecast remains unchanged, the 2024 Class IV milk price forecast still rounds to \$20.75 per cwt, unchanged from last month. The all-milk price forecast for 2024 is \$22.65 per cwt, \$0.10 lower than the previous forecast.

### Dairy Forecast for 2025

The dairy herd is projected to continue expanding in 2025. The 2025 milk cow inventory is projected to increase by 30,000 head to 9.390 million, while the forecast for milk per cow has been reduced by 40 pounds to 24,285 pounds. As a result, the projected 2025 milk production is now 228.0 billion pounds, an increase of 0.3 billion pounds from last month's forecast.

The 2025 dairy export forecast has been revised. On a milk-fat basis, exports are now projected at 11.7 billion pounds, a 0.1 billion increase, driven by higher expected butter and cheese exports. On a skim solids basis, exports are forecast at 49.5 billion pounds, a 0.4 billion decrease, due to anticipated declines in exports of dry skim milk products.

The 2025 forecast for U.S. dairy imports has been revised upward. Projected volumes are increasing to 9.1 billion pounds on a milk-fat basis and 7.4 billion pounds on a skim-solids basis, each representing a 0.1-billion-pound increase from the previous month's forecast. This upward revision is primarily driven by anticipated increases in imports of cheese, butter, and whole milk powder.

The strong domestic demand for dairy products in 2025 is expected to draw down existing stocks, leading to a downward revision of the 2025 ending stocks forecast. As a result, domestic use forecast is raised by 0.9 billion pounds on a milk-fat basis to 225.1 billion pounds and by 1.2 billion pounds on a skim-solids basis to 185.1 billion pounds.

Based on recent price movements and 2024 forecasts, price forecasts for 2025 have been adjusted from last month as follows: Cheddar cheese \$1.800 (-\$9.5 cents), NDM \$1.300 (+4.0 cents), dry whey \$0.595 (+7.5 cents) on strong domestic and international demand, and butter \$2.685 (-7.0 cents). Lower prices for cheese and butter should stimulate sales in the retail and food service sectors through 2025.

With lower expected prices for cheese more than offsetting higher dry whey prices, the Class III price forecast for 2025 decreased from the previous projection by \$0.50 to \$18.80 per cwt. With higher expected NDM prices more than offsetting lower butter prices, the Class IV price forecast rose by \$0.10 to \$20.40 per cwt. The all-milk price forecast for 2025 is \$22.55 per cwt, \$0.30 lower than the previous forecast.

### National FMMO Pricing Formula Hearing

Information pertaining to the National FMMO hearing is 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 - November 2024

**Producer Milk**

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	83.86%	171,156,066	\$12.31 /cwt.	\$ 21,069,311.72
Class I Butterfat	50.90%	4,297,518	\$3.0426 /lb.	13,075,628.28
Class I Differential at Location		175,453,584		9,746,699.93
<b>Total Class I Milk</b>	<b>82.54%</b>	<b>175,453,584</b>		<b>\$ 43,891,639.93</b>
Class II Skim Milk	14.22%	29,025,313	\$11.17 /cwt.	\$ 3,242,127.46
Class II Butterfat	43.87%	3,703,219	\$3.0693 /lb.	11,366,290.09
<b>Total Class II Milk</b>	<b>15.40%</b>	<b>32,728,532</b>		<b>\$ 14,608,417.55</b>
Class III Skim Milk	1.49%	3,045,533	\$9.57 /cwt.	\$ 291,457.51
Class III Butterfat	3.46%	291,766	\$3.0623 /lb.	893,475.02
<b>Total Class III Milk</b>	<b>1.57%</b>	<b>3,337,299</b>		<b>\$ 1,184,932.53</b>
Class IV Skim Milk	0.43%	881,285	\$10.78 /cwt.	\$ 95,002.52
Class IV Butterfat	1.77%	149,662	\$3.0623 /lb.	458,309.95
<b>Total Class IV Milk</b>	<b>0.49%</b>	<b>1,030,947</b>		<b>\$ 553,312.47</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>212,550,362</b>		<b>\$ 60,238,302.48</b>

**Adjustments**

Overage and Other Source	\$ 1,515.03
Inventory Adjustments	-\$ 22,917.86
Producer Butterfat at Uniform Butterfat Price	-\$ 26,033,104.21
Location Adjustments	-\$ 298,881.05
1/2 Balance in Producer Settlement Fund	\$ 51,338.88
<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 16.62659</b>
Producer Settlement Fund Reserve	<b>\$ 0.04659</b>
	<b>\$ 33,936,253.27</b>
	<b>\$ 95,114.22</b>

<b>Uniform Skim Milk Price (Hillsborough County, FL):</b>	<b>\$16.58</b> /cwt
<b>Uniform Butterfat Price:</b>	<b>\$3.0837</b> /lb
<b>Uniform Price (Hillsborough County, FL):</b>	<b>\$26.79</b> /cwt

### F.O. 7 - Southeast: Uniform Price -November 2024

**Producer Milk**

	Utilization	Pounds	Price per unit	Value
Class I Skim Milk	80.51%	214,362,213	\$12.31 /cwt.	\$ 26,387,988.44
Class I Butterfat	47.55%	5,608,631	\$3.0426 /lb.	17,064,820.69
Class I Differential at Location		219,970,844		6,980,229.13
<b>Total Class I Milk</b>	<b>79.11%</b>	<b>219,970,844</b>		<b>\$ 50,433,038.26</b>
Class II Skim Milk	12.13%	32,294,455	\$11.17 /cwt.	\$ 3,607,290.65
Class II Butterfat	37.03%	4,367,075	\$3.0693 /lb.	13,403,863.31
<b>Total Class II Milk</b>	<b>13.19%</b>	<b>36,661,530</b>		<b>\$ 17,011,153.96</b>
Class III Skim Milk	4.44%	11,812,514	\$9.57 /cwt.	\$ 1,130,457.58
Class III Butterfat	4.17%	491,395	\$3.0623 /lb.	1,504,798.90
<b>Total Class III Milk</b>	<b>4.43%</b>	<b>12,303,909</b>		<b>\$ 2,635,256.48</b>
Class IV Skim Milk	2.92%	7,765,049	\$10.78 /cwt.	\$ 837,072.30
Class IV Butterfat	11.25%	1,327,142	\$3.0623 /lb.	4,064,106.95
<b>Total Class IV Milk</b>	<b>3.27%</b>	<b>9,092,191</b>		<b>\$ 4,901,179.25</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>278,028,474</b>		<b>\$ 74,980,627.95</b>

**Adjustments**

Overage and Other Source	\$ 13,484.60
Inventory Adjustments	-\$ 9,357.65
Producer Butterfat at Uniform Butterfat Price	-\$ 36,216,581.98
Location Adjustments	\$ 1,859,490.53
1/2 Balance in Producer Settlement Fund	\$ 97,210.05
<b>Total Skim Milk and Aggregate Value</b>	<b>\$ 15.29663</b>
Producer Settlement Fund Reserve	<b>\$ 0.46633</b>
	<b>\$ 40,724,873.50</b>
	<b>\$ 124,153.28</b>

<b>Uniform Skim Milk Price (Fulton County, GA):</b>	<b>\$15.25</b> /cwt
<b>Uniform Butterfat Price:</b>	<b>\$3.0707</b> /lb
<b>Uniform Price (Fulton County, GA):</b>	<b>\$25.46</b> /cwt

## POOL HIGHLIGHTS

### F.O. 6 - Florida: November 2024

**Producer Milk Utilization:**

Class I:	82.54%
Class II:	15.40%
Class III:	1.57%
Class IV:	0.49%

**The Uniform Price**

for November 2024 was announced at \$26.79, an increase of \$2.71 from November 2023.

**Total Producer Milk**

for November 2024 totaled 212.6 million pounds, a increase of 824,596 thousand pounds from November 2023.

**Total Class I Milk**

for November 2024 was 175.5 million pounds, a increase of 2.2 million pounds from November 2023.

**Class I Utilization**

for November 2024 was 82.54%, a increase of 0.70 percentage points from November 2023.

### F.O. 7 - Southeast: November 2024

**Producer Milk Utilization:**

Class I:	79.11%
Class II:	13.19%
Class III:	4.43%
Class IV:	3.27%

**The Uniform Price**

for November 2024 was announced at \$25.46 an increase of \$2.52 from November 2023.

**Total Producer Milk**

for November 2024 totaled 278.0 million pounds, an increase of 9.9 million pounds from November 2023.

**Total Class I Milk**

for November 2024 was 220.0 million pounds, an decrease of 10.3 million pounds from November 2023.

**Class I Utilization**

for November 2024 was 79.11%, an decrease of 6.76 percentage points from November 2023.

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in November 2024 is \$26.79 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$16.58 per hundredweight plus 3.5 times the uniform butterfat price of \$3.0837 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during Nov. 2024 totaled 212.6 million pounds. Florida producers supplied 152.3 million pounds of milk in November 2024 or an estimated 71.64% of the producer milk pooled in Florida. In Nov. 2023, they supplied approximately 74.39% of the 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 November 2024. Total in-area Class I route disposition was 217.6 million pounds in November 2024, an increase of 3.1 million pounds from November 2023.

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## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2024 is \$25.46 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.25 per hundredweight plus 3.5 times the uniform butterfat price of \$3.0707 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during November 2024 totaled 278.0 million pounds. There were 15 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 November 2024. Total in-area Class I route disposition was 301.4 million pounds in November 2024, a decrease of 9.7 million pounds from November 2023.

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## WASDE Dairy Report <sup>1/</sup> WASDE – 655-4, December 10, 2024

The milk production forecast for 2024 is raised on higher milk cow numbers. Milk production in 2025 is also raised based on more expected milk cows, partially offset by slower growth in milk per cow.

The fat basis import forecast for 2024 is lowered based on recent trade data. For 2025 fat basis imports are raised on imports of butter and cheese. The skim-solids import forecast is also lowered for 2024 and raised for 2025. The fat basis export forecasts are raised for both 2024 and 2025 on higher shipments of butter and cheese. The skim-solids export forecasts are reduced for both 2024 and 2025 primarily on less competitive nonfat dry milk (NDM).

For 2024, cheese and butter prices are forecast lower, NDM is unchanged, and whey is higher, all based on recent prices. The Class III price is lowered, as the lower cheese price more than offsets higher whey. The Class IV price is unchanged. The all-milk price for 2024 is reduced to \$22.65 per cwt. The lower prices for cheese and butter are expected to continue into 2025. The price forecast for NDM and whey are increased on higher-than previously expected demand. The Class III price is reduced on lower cheese price forecasts. The Class IV price is raised, with higher NDM more than offsetting lower butter prices. The 2025 all milk price is reduced to \$22.55 per cwt.

<sup>1/</sup> 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/](http://www.usda.gov/oce/commodity/wasde/).

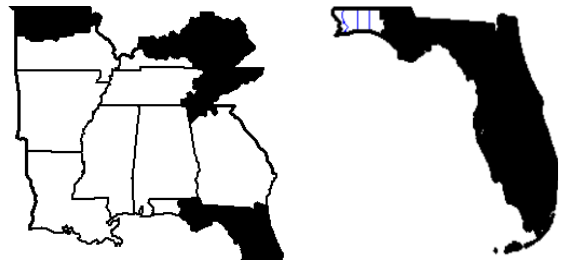
## Federal Milk Marketing Order Statistics

**November 2024**

Federal Order	Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price <sup>1</sup>
	Million Pounds	Million Pounds	Percent	\$/cwt
1 Northeast	2,178.6	668.1	30.7	22.47
5 Appalachian	435.1	308.5	70.9	24.72
6 Florida	212.6	175.5	82.5	26.79
7 Southeast	278.0	220.0	79.1	25.46
30 Upper Midwest	1,817.8	163.0	9.0	20.33
32 Central	1,237.8	357.0	28.8	21.03
33 Mideast	1,761.6	599.5	34.0	21.55
51 California	1,742.7	393.7	22.6	21.28
124 Pacific Northwest	643.7	123.6	19.2	20.90
126 Southwest	1,126.6	322.4	28.6	21.76
131 Arizona	319.3	101.7	31.8	22.05
All Orders <sup>1</sup>	11,753.9	3,432.8	29.2	21.74

<sup>1</sup> Weighted average uniform price at 3.5% butterfat at announced locations.

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