

Market Information BULLETIN

FO 6 & 7

Jason Nierman - Market Administrator



www.fmmatlanta.com

November 2024

Volume 26—No. 11

Dairy Outlook

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

Dairy Forecast for the Remainder of 2024

The forecasts for the herd size and milk per cow in the fourth quarter of 2024 are unchanged from the previous month's forecast. However, after adjusting for the third-quarter reported data on herd size and milk per cow, the 2024 forecast for the average number of milk cows is lowered 5 million to 9.330 million head. Similarly, the 2024 forecast for milk per cow is adjusted 20 pounds higher to 24,215 pounds. The milk production forecast for the year is 226.0 billion pounds, 0.2 billion pounds more than the previous forecast. The forecasts for dairy exports in the fourth quarter of 2024 have been raised. Slightly higher exports shipments of cheese and butter products are expected for the rest of 2024, based on a recent uptick in export data and on expected improvement in U.S. price competitiveness. Additionally, more lactose exports are expected for the remainder of the year. For the year, the forecast for dairy exports on a milk-fat basis is 11.6 billion pounds, unchanged from the last month's forecast.

On a skim-solids basis, the forecast is 49.5 billion pounds, 0.3 billion higher than the previous forecast. The 2024 dairy imports are forecast at 9.3 billion pounds on a milk-fat basis and 6.9 billion pounds on skim-solids basis—unchanged from the last month's forecast. With recent data on high ending stocks for butter and nonfat dry milk, the 2024 ending stocks forecasts are raised by 0.2 billion pounds on both a milk-fat basis (13.8 billion pounds) and a skim-solids basis (9.7 billion pounds).

The forecasts for domestic use in the fourth quarter of 2024 are unchanged from last month. However, after accounting for the third-quarter data on domestic use, the 2024 forecasts have been revised downward, reflecting weaker-than-expected utilization for most dairy products. Consequently, on a milk-fat basis, domestic use for 2024 is forecast at 222.6 (-0.1) billion pounds, while on a skim-solid basis, the 2024 forecast for domestic use is 182.6 (-0.4) billion pounds.

Following the recent movement in dairy product prices—weakness in butter prices and strength in dry whey and nonfat dry milk prices—the fourth-quarter 2024 price forecasts have been adjusted accordingly from previous forecasts.

The forecast for the fourth-quarter butter price has been lowered to \$2.690 (-11.5 cents) per pound. Conversely, the fourth-quarter price forecasts for NDM and dry whey have been raised to \$1.355 (+3.5 cents) and \$0.570 (+1.5 cents) per pound, respectively. The fourth-quarter Cheddar cheese price forecast is unchanged.

Dairy forecast 2024 cont.

For the year, on a per pound basis, the prices are forecast as follows: Cheddar cheese \$1.885 (unchanged), NDM \$1.240 (+1.0 cents), dry whey \$0.485 (+0.5 cents), and butter \$2.895 (-3.0 cents). With an unchanged cheese price forecast and a higher price forecast for dry whey, the fourth quarter Class III milk price forecast is raised to \$21.15 (+\$0.10) per hundredweight (cwt).

With the lower butter price forecast more than offsetting the higher NDM price forecast, the 2024 fourth-quarter Class IV milk price forecast is lowered to \$20.90 (-\$0.20) per cwt. For the year, the Class III price forecast is unchanged at \$19.05 per cwt, but the Class IV price annual forecast is lowered by \$0.05 to \$20.75 per cwt. The all-milk price forecast for 2024 is \$22.75 per cwt, \$0.05 lower than the previous forecast.

Dairy Forecast for 2025

The 2025 forecasts for the herd size, milk per cow, and total milk production—9.36 million head, 24,325 pounds, and 227.7 billion pounds—are unchanged from the last month's forecast. The forecasts for 2025 dairy exports are raised from last month based on expectations for higher exports of butter and butterfat products, cheese, dry skim milk products, and dry whey products.

On a milk-fat basis, the 2025 exports are forecast at 11.6 (+0.2) billion pounds, while on a skim-solids basis, exports are forecast at 49.9 (+0.4) billion pounds. On a milk-fat basis, the forecast for 2025 dairy imports is raised from last month's projection to 9.0 (+0.2) billion pounds based on higher expected imports of butter and cheese. On a skim solids basis, the 2025 forecast for dairy imports is unchanged at 7.3 billion pounds.

With lower expected butter prices and higher import demand for cheese and butter, the domestic use forecast for 2025 on a milk-fat basis is raised from previous forecast to 224.2 (+0.1) billion pounds. With higher expected prices for nonfat dry milk and dry whey, the domestic use forecast on a skim-solids basis is revised downward to 183.9 (-0.1) billion pounds. Based on recent price movements, price forecasts for 2025 have been raised from last month's forecast for Cheddar cheese, dry whey, and NDM to \$1.895 (+1.5 cents), \$0.520 (+3.0 cents), and \$1.260 (+1.0 cent) per pound, respectively.

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 - October 2024

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	84.19%	173,391,346	\$10.82 /cwt.	\$ 18,760,943.64
Class I Butterfat	48.75%	4,127,493	\$3.6366 /lb.	15,010,041.06
Class I Differential at Location		177,518,839		9,852,746.74
Total Class I Milk	82.79%	177,518,839		\$ 43,623,731.44
Class II Skim Milk	12.28%	25,279,585	\$10.56 /cwt.	\$ 2,669,524.17
Class II Butterfat	45.19%	3,825,646	\$3.0921 /lb.	11,829,280.01
Total Class II Milk	13.58%	29,105,231		\$ 14,498,804.18
Class III Skim Milk	0.78%	1,610,844	\$12.49 /cwt.	\$ 201,194.41
Class III Butterfat	1.41%	119,078	\$3.0851 /lb.	367,367.53
Total Class III Milk	0.81%	1,729,922		\$ 568,561.94
Class IV Skim Milk	2.75%	5,654,121	\$10.47 /cwt.	\$ 591,986.45
Class IV Butterfat	4.65%	393,338	\$3.0851 /lb.	1,213,487.06
Total Class IV Milk	2.82%	6,047,459		\$ 1,805,473.51
Producer Milk	100.00%	214,401,451		\$ 60,496,571.07
Adjustments				
Overage and Other Source				\$ 1,210.54
Inventory Adjustments				-\$ 18,855.26
Producer Butterfat at Uniform Butterfat Price				-\$ 28,649,977.79
Location Adjustments				-\$ 295,724.63
1/2 Balance in Producer Settlement Fund				\$ 80,397.25
Total Skim Milk and Aggregate Value			\$ 15.35119	\$ 31,613,621.18
Producer Settlement Fund Reserve			\$ 0.04119	\$ 84,835.50
Uniform Skim Milk Price (Hillsborough County, FL):			\$15.31 /cwt	
Uniform Butterfat Price:			\$3.3843 /lb	
Uniform Price (Hillsborough County, FL):			\$26.62 /cwt	

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

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	82.71%	227,088,311	\$10.82 /cwt.	\$ 24,570,955.24
Class I Butterfat	49.10%	5,839,363	\$3.6366 /lb.	21,235,427.50
Class I Differential at Location		232,927,674		7,419,053.91
Total Class I Milk	81.31%	232,927,674		\$ 53,225,436.65
Class II Skim Milk	12.78%	35,086,601	\$10.56 /cwt.	\$ 3,705,145.07
Class II Butterfat	41.19%	4,899,412	\$3.0921 /lb.	15,149,471.88
Total Class II Milk	13.96%	39,986,013		\$ 18,854,616.95
Class III Skim Milk	1.02%	2,809,914	\$12.49 /cwt.	\$ 350,958.26
Class III Butterfat	1.08%	128,200	\$3.0851 /lb.	395,509.82
Total Class III Milk	1.03%	2,938,114		\$ 746,468.08
Class IV Skim Milk	3.49%	9,581,250	\$10.47 /cwt.	\$ 1,003,156.86
Class IV Butterfat	8.63%	1,026,358	\$3.0851 /lb.	3,166,417.07
Total Class IV Milk	3.70%	10,607,608		\$ 4,169,573.93
Producer Milk	100.00%	286,459,409		\$ 76,996,095.61
Adjustments				
Overage and Other Source				\$ 185.33
Inventory Adjustments				-\$ 125,547.16
Producer Butterfat at Uniform Butterfat Price				-\$ 40,134,052.21
Location Adjustments				\$ 1,887,542.96
1/2 Balance in Producer Settlement Fund				\$ 64,213.06
Total Skim Milk and Aggregate Value			\$ 14.09075	\$ 38,688,437.59
Producer Settlement Fund Reserve			\$ 0.04075	\$ 111,903.91
Uniform Skim Milk Price (Fulton County, GA):			\$14.05 /cwt	
Uniform Butterfat Price:			\$3.3745 /lb	
Uniform Price (Fulton County, GA):			\$25.37 /cwt	

POOL HIGHLIGHTS

F.O. 6 - Florida: October 2024

Producer Milk Utilization:	
Class I:	82.79%
Class II:	13.58%
Class III:	0.81%
Class IV:	2.82%

The Uniform Price
for October 2024 was announced at \$26.62, an increase of \$1.63 from October 2023.

Total Producer Milk
for October 2024 totaled 214.4 million pounds, a decrease of 1.6 million pounds from October 2023.

Total Class I Milk
for October 2024 was 177.5 million pounds, a increase of 1.4 million pounds from October 2023.

Class I Utilization
for October 2024 was 82.79%, a increase of 1.26 percentage points from October 2023.

F.O. 7 - Southeast: October 2024

Producer Milk Utilization:	
Class I:	81.31%
Class II:	13.96%
Class III:	1.03%
Class IV:	3.70%

The Uniform Price
for October 2024 was announced at \$25.37 an increase of \$1.73 from October 2023.

Total Producer Milk
for October 2024 totaled 286.5 million pounds, an decrease of 9.1 million pounds from October 2023.

Total Class I Milk
for October 2024 was 232.9 million pounds, an increase of 5.3 million pounds from October 2023.

Class I Utilization
for October 2024 was 81.31%, an increase of 4.29 percentage points from October 2023.

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in October 2024 is \$26.62 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County, Florida. This is .965 times the uniform skim milk price of \$15.31 per hundredweight plus 3.5 times the uniform butterfat price of \$3.3843 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during Oct. 2024 totaled 214.4 million pounds. Florida producers supplied 151.9 million pounds of milk in October 2024 or an estimated 70.84% of the producer milk pooled in Florida. In Oct. 2023, they supplied approximately 71.82% 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 October 2024. Total in-area Class I route disposition was 223.0 million pounds in October 2024, an increase of 3.0 million pounds from October 2023.

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2024 is \$25.37 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.05 per hundredweight plus 3.5 times the uniform butterfat price of \$3.3745 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions. Receipts of producer milk during October 2024 totaled 286.5 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 October 2024. Total in-area Class I route disposition was 306.7 million pounds in October 2024, a decrease of 4.9 million pounds from October 2023.

WASDE Dairy Report ^{1/} WASDE – 654-4, November 8, 2024

The milk production forecast for 2024 is raised from the previous month. Based on the most recent Milk Production report, lower reported milk cow numbers for the third quarter of 2024 were more than offset by higher output per cow. The milk forecast for 2025 is unchanged. The import forecasts for 2024 are unchanged, both on a fat basis and a skim-solids basis. The export forecast for 2024 is unchanged on a fat basis. On a skim-solids basis, the export forecast is raised on higher expected shipments of lactose. For 2025, imports are unchanged on a skim-solids basis but raised on a fat basis due to higher expected shipments of butter and cheese.

The forecast for exports on a fat basis is raised due to higher cheese and butterfat-containing products. Skim-solids exports are also raised on higher whey-containing products and dry skim milk products. The butter price forecast is reduced for 2024, as prices have continued to fall from the relatively high levels they maintained for much of the year through late-September. The cheese price forecast for 2024 is unchanged. Both nonfat dry milk (NDM) and whey price forecasts are raised due to strong demand for both sets of products. For 2025, butter price forecasts are lowered due to relatively higher inventories heading into the 2024 holiday season. The cheese price forecast is raised, based on higher prices and tight inventories in late 2024. Whey and NDM price forecasts for 2025 are both raised based on stronger domestic and international demand. The Class III price forecast is unchanged for 2024. The Class IV price forecast is lowered, with lower butter prices more than offsetting higher NDM.

The all-milk price for 2024 is lowered to \$22.75 per cwt. For 2025, the Class III price is raised on higher cheese and whey price outlooks. The Class IV price is lowered due to lower butter prices offsetting higher NDM. The all milk price forecast for 2025 is raised to \$22.85 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/.

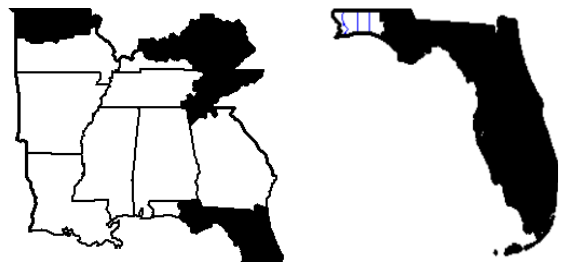
Federal Milk Marketing Order Statistics

October 2024

Federal Order	Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price ¹
	Million Pounds	Million Pounds	Percent	\$/cwt
1 Northeast	2,234.5	690.6	30.9	22.93
5 Appalachian	442.8	324.1	73.2	24.62
6 Florida	214.4	177.5	82.8	26.62
7 Southeast	286.5	232.9	81.3	25.37
30 Upper Midwest	1,619.3	167.5	10.3	22.38
32 Central	1,055.6	368.3	34.9	21.68
33 Mideast	1,680.3	617.9	36.8	22.18
51 California	1,625.1	412.1	25.4	21.47
124 Pacific Northwest	544.8	135.8	24.9	21.67
126 Southwest	862.7	338.5	39.2	22.02
131 Arizona	305.8	134.0	43.8	22.60
All Orders ¹	10,871.6	3,599.3	33.1	22.45

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

USDA MILK MARKET ADMINISTRATOR
 U.S. Department of Agriculture
 2763 Meadow Church RD
 Duluth, Georgia 30097



www.fmmatlanta.com

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to: USDA Assistant Secretary for Civil Rights Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, S.W., Stop 9410 Washington, DC 20250-9410 Or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.