

THE COURIER

Monthly Newsletter

Dairy Outlook

April 2024

Dairy Forecasts for 2024

The 2024 dairy herd size forecast is 9,355 thousand head, unchanged from the previous month. Anticipated lower yield per cow throughout the year has led to a reduction of 100 pounds per head, now forecast at 24,245 pounds. Consequently, the revised milk production forecast for 2024 is 226.3 billion pounds, a decrease of 1.0 billion from the previous month's estimate.

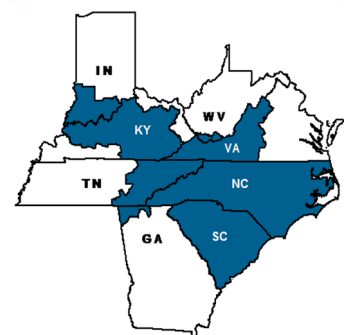
Dairy imports were adjusted upward from last month's forecast. On a milk-fat basis, dairy import projections in 2024 were raised to 8.0 billion pounds (+0.3 billion), while on a skim solids basis imports were raised to 6.8 billion pounds (+0.1 billion). Higher import volumes of products such as cheese, butter, infant formula, yogurt, dry whey products, and canned milk are anticipated for 2024.

The 2024 dairy export forecast on a milk-fat basis has been raised 0.2 billion pounds to 11.3 billion based on expected strong international demand. The export forecast on a skim-solids basis is lowered to 49.7 billion pounds (-0.3 billion). In 2024, export shipments of skim milk powder, cheese, and butter are expected to increase, while those of dry whey products and lactose are anticipated to decrease.

The 2024 forecast for domestic disappearance has been lowered from last month's projection. On a milk-fat basis, domestic use decreased by 1.7 billion pounds, bringing the total to 223.0 billion pounds. On a skim-solids basis, the domestic use forecast declined by 0.5 billion pounds, totaling 182.9 billion pounds.

Based on recent mixed price trends, the adjusted forecasts, in dollars per pound for dairy products, are as follows: cheddar cheese \$1.620 (-9.0 cents), dry whey \$0.425 (-2.50 cents), butter \$2.925 (+12.5 cents), and NDM \$1.180 (-3.0 cents). With lower cheese and dry whey prices, the new forecast for Class III milk is \$16.20 per cwt, \$0.95 lower than the previous forecast.

With higher butter price projections more than offsetting lower NDM prices, the Class IV price forecast has been raised to \$20.40 per cwt, \$0.30 higher than the previous projection. The all-milk price for 2024 is now forecast at \$20.90 per cwt, down \$0.35 from last month's forecast.



Jason Nierman
Market Administrator

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Appalachian Statistical Summary

	MARCH 2024	FEBRUARY 2024	MARCH 2023
PRICES: (Base Zone)			
Uniform Price	\$21.60	\$21.00	\$21.50
Class I Price	22.20	21.39	22.39
Class II Price	21.12	20.53	19.52
Class III Price	16.34	16.08	18.10
Class IV Price	20.09	19.85	18.38
Uniform Skim Milk Price	\$10.73	\$10.59	\$12.33
Class I Skim Milk Price	11.54	11.15	13.19
Class II Skim Milk Price	10.11	9.99	10.30
Class III Skim Milk Price	5.19	5.41	8.85
Class IV Skim Milk Price	9.07	9.31	9.14
Uniform Butterfat Price	\$3.2120	\$3.0793	\$2.7439
Class I Butterfat Price	3.1609	3.0375	2.7592
Class II Butterfat Price	3.2455	3.1101	2.7370
Class III Butterfat Price	3.2385	3.1031	2.7300
Class IV Butterfat Price	3.2385	3.1031	2.7300
PRODUCER MILK:			
Class I	307,644,067	300,687,668	337,174,957
Class II	71,865,806	57,755,849	78,776,139
Class III	37,975,241	30,152,792	25,152,819
Class IV	50,537,166	29,774,278	44,644,219
Total Producer Milk	468,022,280	418,370,587	485,748,134
PERCENT PRODUCER MILK IN:			
Class I	65.73	71.87	69.41
Class II	15.36	13.80	16.22
Class III	8.11	7.21	5.18
Class IV	10.80	7.12	9.19

Prices subject to location adjustments per §1005.51 and §1005.75

March Milk Production down 0.9%

Milk production in the 24 major States during March totaled 18.8 billion pounds, down 0.9 percent from March 2023.

February revised production, at 17.4 billion pounds, was up 2.9 percent from February 2023.

Production per cow in the 24 major States averaged 2,115 pounds for March, 3 pounds below March 2023.

The number of milk cows on farms in the 24 major States was 8.88 million head, 71,000 head less than March 2023, and 7,000 head less than February 2024.

F.O. 5 STATS FOR March 2024:

The Uniform Price

for March 2024 was \$21.60 per cwt., an increase of \$0.60 from February 2024.

Total Class I Milk

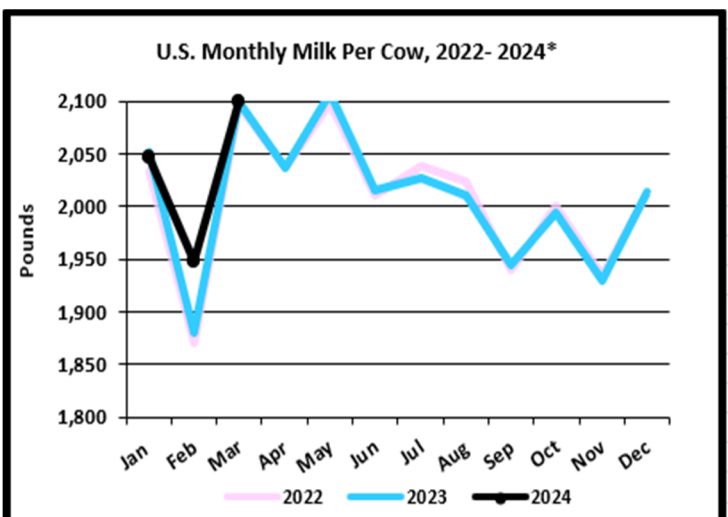
for March 2024 was 307.6 million pounds, an increase of 7.0 million pounds compared to February 2024.

Class I Utilization

was 65.73 percent for March 2024, a decrease of 6.14 percentage points from February 2024.

Total Producer Milk

for March 2024 was 468.0 million pounds, an increase of 49.7 million pounds compared to February 2024.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Highly Pathogenic Avian Influenza Detected in Dairy Herds

On March 29, the USDA Food and Drug Administration (FDA) and Centers for Disease Control and Prevention (CDC) confirmed the detection of highly pathogenic avian influenza (HPAI) in two dairy herds in Texas and two in Kansas. The announcement followed previous investigations of reported illnesses in dairy cows. These illnesses were characterized by decreased lactation, low appetite, and other symptoms. As of April 16, more cases had been reported in dairy cows in Michigan, New Mexico, Ohio, Idaho, South Dakota, and North Carolina. Unlike the HPAI cases in poultry operations where the disease is fatal in birds, the cows or dairy cattle affected do not require liquidation and return to production after several weeks of isolation and recovery.

FDA recommends discarding the raw milk produced by cows showing any signs of illness or cows that were exposed to those infected with avian influenza. Currently, there are no concerns about the safety of the commercial milk supply since the milk subject to interstate commerce is required to be pasteurized. For more information, see the USDA, Animal and Plant Health Inspection Service (APHIS) web page entitled "Highly Pathogenic Avian Influenza (HPAI) Detections in Livestock."

Recent Wholesale Dairy Product Prices

Most wholesale dairy product prices reported in the USDA National Dairy Products Sales Report (NDPSR) decreased from the week ending March 9th to the week ending April 6th. The prices for 40-pound blocks of cheddar cheese, 500-pound barrels (adjusted to 38-percent moisture), nonfat dry milk (NDM), and dry whey decreased by 11.34, 16.60, 2.22, and 3.66 cents per pound, respectively. Conversely, the price for butter increased 4.05 cents per pound.

For the trading week ending April 12th at the Chicago Mercantile Exchange (CME), the spot prices for cheddar cheese 500-pound barrels and 40-pound blocks averaged \$1.5620 and \$1.5470 per pound, respectively. CME spot prices for butter, NDM, and dry whey averaged \$2.9365, \$1.1420, and \$0.3665 per pound, respectively.

According to USDA, Dairy Market News (DMN), the Oceania and Europe export prices for most of the dairy commodities surveyed in the report decreased from February to March. These decreases ranged from 1.1 cents per pound for cheddar cheese (Oceania) to 8.3 cents per pound for skim milk powder (Oceania). Among the selected dairy products, butter (Western Europe) was the only one showing a month-over-month increase (15.9 cents per pound).

The Global Dairy Trade (GDT) Price Index for the trading event of April 16 was up 0.1 percent from the GDT event of April 2. On April 16, average GDT prices for anhydrous milk fat and whole milk powder were up from the previous event, while the prices of butter, c

cheddar cheese, and lactose were down. Skim milk powder remained unchanged.

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Federal Milk Marketing Order Statistics - March 2024

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,341.5	658.7	28.1	20.18
5	<i>Appalachian</i>	468.0	307.6	65.7	21.60
6	Florida	217.5	178.5	82.1	23.75
7	Southeast	320.2	209.8	65.5	22.07
30	Upper Midwest	2,712.5	155.7	5.7	16.70
32	Central	1,287.2	356.6	27.7	18.02
33	Mideast	1,520.8	587.4	38.6	18.64
51	California	2,066.6	380.4	18.4	17.77
124	Pacific Northwest	620.7	124.3	20.0	18.41
126	Southwest	1,113.4	315.9	28.4	18.48
131	Arizona	414.0	112.7	27.2	19.63
All Orders		13,082.4	3,387.6	25.9	18.60

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

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