

THE COURIER

Monthly Newsletter

Dairy Outlook

June 2024

Dairy Forecasts for 2024

The dairy herd forecast for 2024 is 9.345 million cows. The forecast milk yield per cow is 24,320 pounds, 10 pounds less than last month's forecast. The rounded milk production forecast remains at 227.3 billion pounds.

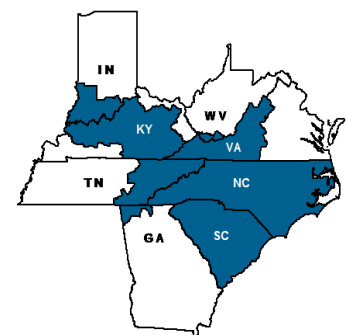
Based on higher dairy imports shown in recent trade data, 2024 import forecasts have been adjusted upward from previous projections. On a milk-fat basis, imports in 2024 are forecast at 8.6 (+0.4) billion pounds, while on a skim-solids basis, they are forecast at 7.3 billion pounds, (+0.3) billion pounds. Imports of cheese, infant formula, and various others dairy products are expected to increase throughout 2024, driven by strong demand from U.S. buyers and higher expected prices on domestic dairy products.

On a milk-fat basis, dairy export shipments for 2024 are forecast at 11.2 (+0.2) billion pounds, while on a skim-solids basis they are projected at 49.3 billion pounds. Higher export volumes of cheese, and dry whey products are expected for 2024, while lower exports are expected for skim milk products and lactose.

With dairy product prices projected to increase in 2024, domestic consumption is projected lower than last month's forecast. On a milk-fat basis, domestic use for 2024 is forecast at 223.9 (-0.3) billion pounds, while on a skim-solids basis it is forecast at 184.2 billion pounds.

Based on recent prices and higher expected demand, the 2024 wholesale dairy product price forecasts, in dollars per pound, have been adjusted upward as follows: Cheddar cheese \$1.790 (+9.5 cents), dry whey \$0.435 (+3.50 cents), butter \$2.970 (+3.5 cents), and NDM \$1.175 (+1.5 cents).

With higher cheese and dry whey prices, the new forecast for Class III milk is \$17.90 per cwt, \$1.15 higher than the previous forecast. With higher butter and NDM price projections, the Class IV price forecast has been raised to \$20.50 per cwt, \$0.25 higher than the previous projection. The all-milk price for 2024 is now forecast at \$21.60 per cwt, up \$0.40 from last month's forecast.



Jason Nierman
Market Administrator

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Appalachian Statistical Summary

	MAY 2024	APRIL 2024	MAY 2023
PRICES: (Base Zone)			
Uniform Price	\$21.77	\$21.80	\$21.72
Class I Price	21.86	22.58	22.97
Class II Price	21.50	21.23	19.11
Class III Price	18.55	15.50	16.11
Class IV Price	20.50	20.11	18.10
Uniform Skim Milk Price	\$10.19	\$10.59	\$12.52
Class I Skim Milk Price	10.58	11.55	13.87
Class II Skim Milk Price	9.69	9.89	9.78
Class III Skim Milk Price	6.66	3.98	6.69
Class IV Skim Milk Price	8.68	8.76	8.76
Uniform Butterfat Price	\$3.4093	\$3.3082	\$2.7524
Class I Butterfat Price	3.3294	3.2682	2.7399
Class II Butterfat Price	3.4706	3.3379	2.7642
Class III Butterfat Price	3.4636	3.3309	2.7572
Class IV Butterfat Price	3.4636	3.3309	2.7572
PRODUCER MILK:			
Class I	310,356,963	312,266,003	317,189,778
Class II	63,987,665	63,856,003	67,113,079
Class III	34,505,581	38,585,679	39,620,947
Class IV	31,105,428	36,180,182	27,147,028
Total Producer Milk	439,955,637	450,887,867	452,070,832
PERCENT PRODUCER MILK IN:			
Class I	70.54	69.26	70.16
Class II	14.54	14.16	14.85
Class III	7.84	8.56	8.76
Class IV	7.08	8.02	6.23

Prices subject to location adjustments per \$1005.51 and \$1005.75

May Milk Production down 0.7%

Milk production in the 24 major States during May totaled 18.9 billion pounds, down 0.7 percent from May 2023. April revised production, at 18.3 billion pounds, was down 0.4 percent from April 2023.

Production per cow in the 24 major States averaged 2,122 pounds for May, 3 pounds below May 2023.

The number of milk cows on farms in the 24 major States was 8.89 million head, 52,000 head less than May 2023, but 5,000 head more than April 2024.

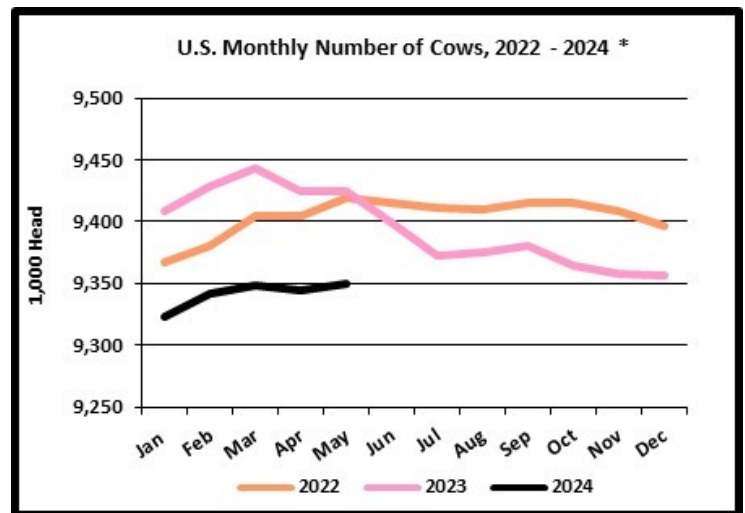
**F.O. 5 STATS FOR
May 2024:**

The Uniform Price
for May 2024 was \$21.77 per cwt., an increase of \$0.05 from May 2023.

Total Class I Milk
for May 2024 was 310.4 million pounds, a decrease of 1.9 million pounds compared to April 2024.

Class I Utilization
was 70.54 percent for May 2024, an increase of 1.28 percentage points from April 2024.

Total Producer Milk
for May 2024 was 440.0 million pounds, a decrease of 10.9 million pounds compared to April 2024.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Dairy Forecasts for 2025

For 2025, milk cows are raised by 5,000 head from the previous forecast to 9.370 million head, while yield per cow is lowered 15 pounds to 24,470 pounds. The milk production for 2025 is projected at 229.3 billion pounds, as expected milk cow numbers are offset by lower expected milk per cow.

The 2025 forecasts for dairy imports are revised upward from the previous month's forecast. On a milkfat basis, imports in 2025 are forecast at 8.2 (+0.1) billion pounds, while on a skim-solids basis imports are forecast at 7.0 billion pounds, also 0.1 billion higher than last month's projection. Imports of cheese, butter, and infant formula are expected to be higher in 2025 compared to the previous month's forecast.

Dairy exports are adjusted higher for 2025 on projected strong international demand. On a milk-fat basis, dairy export volumes are forecast at 11.5 (+0.3) billion pounds, while on a skim-solids basis they are projected at 50.5 billion pounds, also 0.3 billion pounds higher than the previous month's forecast. Higher exports of cheese, butter, and dry whey products are expected for 2025.

On a milk-fat basis, domestic use for 2025 is forecast at 225.3 billion pounds. On a skim-solids basis, domestic use is forecast at 185.4 billion pounds, 0.2 billion up from last month on stronger anticipated domestic demand.

The adjusted wholesale dairy product price forecasts for 2025, in dollars per pound, are as follows: Cheddar cheese \$1.795 (+13.0 cents), dry whey \$0.400 (+2.50 cents), butter \$2.945 (+3.0 cents), and NDM \$1.14, unchanged from last month forecast.

With higher cheese and dry whey prices, the new forecast for Class III milk is \$17.70 per cwt, \$1.40 higher than the previous forecast. With higher butter price projections, the Class IV price forecast has been raised to \$20.10 per cwt, \$0.15 higher than the previous projection. The all-milk price for 2025 is now forecast at \$21.50 per cwt, up \$0.60 from last month's forecast.

Update on Highly Pathogenic Avian Influenza (HPAI) Detection in Dairy Herds

As of June 14, Highly Pathogenic Avian Influenza (HPAI) was confirmed in 12 States and 101 dairy herds. Since the previous report, HPAI in dairy cows has been identified in two more States, Iowa and Wyoming, and the number of affected herds has doubled. USDA maintains the mandatory testing requirements for lactating dairy prior to interstate movement and mandatory reporting of positive influenza A test results in livestock. On May 23rd, USDA announced additional details to support the dairy operations affected by HPAI and to stop the further spread of the virus. Furthermore, USDA launched the Voluntary H5N1 Dairy Herd Status Pilot program to increase the agency's abilities to monitor and limit the spread of the virus. For more information, check USDA, Animal and Plant Health Inspection Service website for Highly Pathogenic Avian Influenza (HPAI) Detections in Livestock.

**APPALACHIAN MARKETING AREA
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Federal Milk Marketing Order Statistics - May 2024

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,326.5	663.1	28.5	20.89
5 <i>Appalachian</i>	440.0	310.4	70.5	21.77
6 Florida	208.2	169.1	81.2	23.46
7 Southeast	291.6	206.9	70.9	22.08
30 Upper Midwest	2,754.6	160.9	5.8	18.74
32 Central	1,320.5	355.3	26.9	19.14
33 Mideast	1,375.3	526.5	38.3	19.45
51 California	2,103.9	398.5	18.9	19.40
124 Pacific Northwest	630.8	133.1	21.1	19.52
126 Southwest	1,117.4	319.1	28.6	19.89
131 Arizona	292.2	110.3	37.7	20.09
All Orders	12,860.8	3,353.0	26.1	19.78

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

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