

THE COURIER

Monthly Newsletter

Dairy Outlook

September 2024

Dairy Forecasts for 2024

Based on recent data from the USDA, NASS Milk Production report, the 2024 forecast for the dairy herd is lowered by 5,000 head to 9.335 million head. Similarly, the forecast for milk yield is reduced to 24,200 pounds per cow, 30 pounds less than the previous forecast, due to a slower expected growth in milk per cow. Consequently, the milk production forecast for 2024 is lowered by 0.4 billion pounds to 225.9 billion pounds.

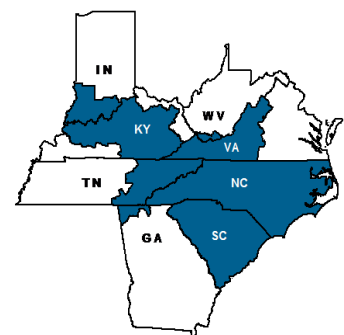
Following the most recent trade data, the projection for 2024 U.S. dairy products imports on a milk-fat basis is raised to 9.0 (+0.3) billion pounds. Higher expected imports of butter and butter products more than offset lower expected imports of cheese and other dairy products.

With recent data showing strong exports, the projections of 2024 exports of dairy products are revised upward from last month's forecast. Projections for 2024 exports on a milk-fat basis are increased to 11.6 (+0.1) billion pounds, while exports on a skim-solids basis are forecast at 48.9 (+0.1) billion pounds. Higher expected exports of nonfat dry milk, casein and lactose more than offset lower expected exports of other dairy products.

Based on recent domestic use data, tighter domestic milk supplies, and higher expected prices for the main dairy products—the domestic use forecasts for 2024 are revised downward from the previous forecast. On a milk-fat basis 2024 domestic use is forecast at 222.6 (-0.2) billion pounds. On a skim-solids basis, it is forecast at 183.1 (-0.6) billion pounds.

Based on recent dairy price developments, the 2024 wholesale prices for all dairy products are revised upward. The new forecasts are as follows: Cheddar cheese \$1.930 (+10.50 cents), dry whey \$0.475 (+0.50 cents), butter \$3.000 (+1.00 cents), and NDM \$1.220 (+2.50 cents) per pound.

With higher prices across dairy products, the Class III and IV milk price forecasts are also raised from last month. The new forecast for Class III milk is \$19.45 per cwt, \$1.05 higher than the previous forecast. The Class IV price forecast is raised to \$21.00 per cwt, \$0.20 higher than the previous projection. The all-milk price for 2024 is now forecast at \$23.05 per cwt, up \$0.75 from last month's forecast.



Jason Nierman
Market Administrator

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Appalachian Statistical Summary

	AUGUST 2024	JULY 2024	AUGUST 2023
PRICES: (Base Zone)			
Uniform Price	\$23.98	\$23.72	\$20.13
Class I Price	24.72	24.51	20.02
Class II Price	22.05	21.82	19.91
Class III Price	20.66	19.79	17.19
Class IV Price	21.58	21.31	18.91
Uniform Skim Milk Price	\$11.82	\$11.63	\$10.26
Class I Skim Milk Price	12.48	12.47	10.62
Class II Skim Milk Price	9.90	9.63	9.65
Class III Skim Milk Price	8.49	7.55	6.85
Class IV Skim Milk Price	9.44	9.13	8.64
Uniform Butterfat Price	\$3.5911	\$3.5706	\$2.9222
Class I Butterfat Price	3.6212	3.5637	2.7906
Class II Butterfat Price	3.5702	3.5790	3.0288
Class III Butterfat Price	3.5632	3.5720	3.0218
Class IV Butterfat Price	3.5632	3.5720	3.0218
PRODUCER MILK:			
Class I	318,430,780	299,731,115	327,179,276
Class II	67,657,422	78,180,435	64,044,520
Class III	29,165,283	29,839,237	28,324,544
Class IV	21,001,803	18,734,929	25,285,626
Total Producer Milk	436,255,288	426,485,716	444,833,966
PERCENT PRODUCER MILK IN:			
Class I	72.99	70.28	73.55
Class II	15.51	18.33	14.40
Class III	6.69	7.00	6.37
Class IV	4.81	4.39	5.68

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

August Milk Production up 0.1%

Milk production in the 24 major States during August totaled 18.1 billion pounds, up 0.1 percent from August 2023.

Production per cow in the 24 major States averaged 2,036 pounds for August, 8 pounds above August 2023.

The number of milk cows on farms in the 24 major States was 8.88 million head, 28,000 head less than August 2023, but unchanged from July 2024.

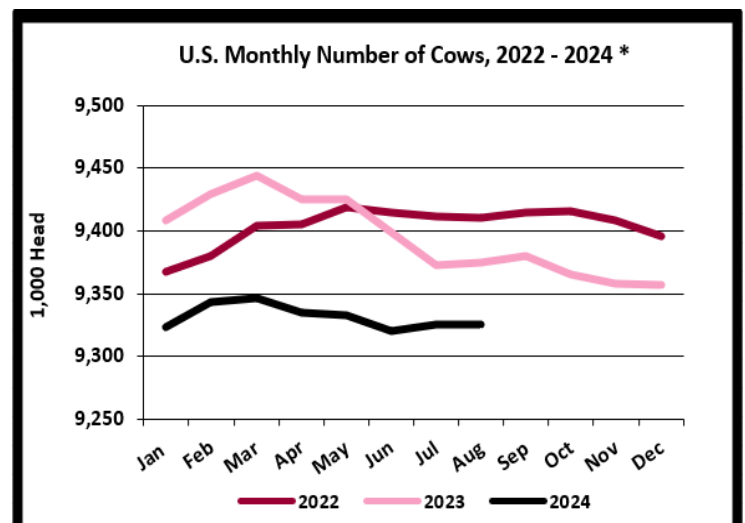
F.O. 5 STATS FOR August 2024:

The Uniform Price
for August 2024 was \$23.98 per cwt., an increase of \$3.85 from August 2023.

Total Class I Milk
for August 2024 was 318.4 million pounds, an increase of 18.7 million pounds compared to July 2024.

Class I Utilization
was 72.99 percent for August 2024, an increase of 2.71 percentage points from July 2024.

Total Producer Milk
for August 2024 was 436.3 million pounds, an increase of 9.77 million pounds compared to July 2024.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Dairy Forecasts for 2025

The improved dairy margins through 2024 are likely to create incentives for farmers to increase their dairy herds in 2025. However, the tight supply of dairy heifers will moderate growth expectations in the first half of the year. Relative to last month, the forecast for the U.S. dairy herd size in 2025 is unchanged at 9.360 million head. With lower 2024 forecasts for milk per cow and expected steady increases in milk solids components, the 2025 forecast for yield per cow is lowered by 30 pounds to 24,345 pounds. U.S. milk production for 2025 is projected at 227.9 billion pounds, 0.3 billion pounds lower than last month's forecast.

With lower milk production and higher domestic dairy product prices, the projections for 2025 imports of dairy products are revised upward from last forecast. On a milk-fat basis, imports in 2025 are forecast at 8.6 (+0.3) billion pounds, while on a skim-solids basis, imports are forecast at 7.1 (+0.1) billion pounds. Higher expected imports of cheese, butter and butterfat products, milk proteins, and other dairy products are driven by strong demand from U.S. buyers and higher expected prices on domestic dairy products.

Domestic use forecasts for 2025 are revised from last month. On a milk-fat basis, domestic use for 2025 is forecast at 224.4 billion pounds, 0.1 billion pounds below last month's forecast. Conversely, with expected strong demand for high protein whey products, on a skim-solids basis, domestic use forecast is raised to 184.0 billion pounds, 0.1 billion pounds above the previous forecasts.

With tighter domestic milk supplies in 2025, the wholesale dairy products price forecasts for Cheddar cheese and whey are adjusted upward as follows: Cheddar cheese \$1.940 (+8.00 cents) and whey \$0.485 (+3.50 cents) per pound, respectively. The 2025 projections for butter and NDM are also revised upward as follows: butter \$3.005 (+2.00 cents) and NDM \$1.235 (+1.50 cents) per pound, respectively.

With higher prices forecast across all dairy products, the 2025 forecasts for Class III and Class IV milk prices are revised upward to \$19.60 (+\$0.95) and \$21.20(+\$0.25) per cwt, respectively. The all-milk price for 2025 is now forecast at \$23.45 per cwt, up \$0.70 from last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-362, September 18, 2024,
USDA, Economic Research Service

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>

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Federal Milk Marketing Order Statistics - August 2024

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,273.1	640.2	28.1	22.64
5	<i>Appalachian</i>	436.3	318.4	73.0	23.98
6	Florida	213.0	174.9	82.1	25.81
7	Southeast	278.8	220.9	79.2	24.57
30	Upper Midwest	2,561.1	157.7	6.2	20.86
32	Central	1,200.4	355.5	29.6	21.34
33	Mideast	1,595.9	593.4	37.2	21.72
51	California	2,212.6	397.3	18.0	21.50
124	Pacific Northwest	615.4	126.0	20.5	21.37
126	Southwest	1,182.4	331.9	28.1	22.07
131	Arizona	392.1	137.4	35.0	22.14
All Orders		12,961.1	3,453.5	26.6	21.87

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

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