

THE COURIER

Monthly Newsletter

Dairy Outlook

October 2024

Dairy Forecasts for 2024

The October forecast for 2024 dairy milk production is lower than the previous month's forecast. The dairy herd size is expected to remain unchanged at 9.335 million head, but the milk yield per cow is now forecast to be 24,195 pounds, 5 pounds less than the previous estimate on slightly less growth in milk per cow due to an aging productive cow inventory and limited replacement heifer inventory. This reduction in yield per cow is expected to result in a total milk production of 225.8 billion pounds in 2024, which is 0.1 billion pounds lower than the previous forecast and 0.56 billion pounds lower than the 2023 production level. Despite improving margins for dairy farmers in 2024, the dairy herd is anticipated to remain below 2023 levels due to a limited replacement inventory.

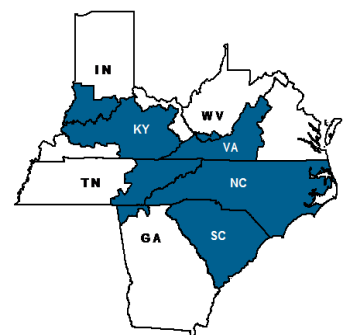
The revised forecast for 2024 U.S. dairy product imports on a milk-fat basis has been increased to 9.3 billion pounds, which is 0.3 billion pounds higher than the previous estimate. The projection for imports on a skim-solids basis remains unchanged at 6.9 billion pounds. The increase in the overall import forecast is primarily due to higher projected imports of butter and cheese, which more than offset lower imports of other dairy products.

Projections for 2024 exports on a milk-fat basis are unchanged from last month's forecast at 11.6 billion pounds, while exports on a skim-solids basis are forecast at 49.2 (+0.3) billion pounds. Higher expected exports of skim milk products and dry whey products more than offset lower expected exports of other dairy products.

The revised forecast for 2024 U.S. dairy product domestic use on a milk-fat basis is increased to 222.7 billion pounds, 0.1 billion pounds higher than the previous estimate. The projection for domestic use on a skim-solids basis is decreased to 183.0 billion pounds, 0.1 billion pounds lower than the previous estimate. In 2024, domestic dairy product use is forecast to decline from 2023 levels, primarily driven by reduced milk production and elevated domestic prices for key dairy products throughout the year.

Based on recent dairy price developments, the 2024 revisions for wholesale price forecasts for all dairy products were mixed. The new forecasts are as follows: Cheddar cheese \$1.885 (-4.50 cents), dry whey \$0.480 (+0.50 cent), butter \$2.925 (-7.5 cents), and NDM \$1.230 (+1.00 cent) per pound.

The new forecast for Class III milk is \$19.05 per cwt, \$0.40 lower than the previous forecast. The Class IV price forecast is \$20.80 per cwt, \$0.20 lower than the previous projection. The all-milk price for 2024 is now forecast at \$22.80 per cwt, \$0.25 lower than last month's forecast.



Jason Nierman
Market Administrator

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Appalachian Statistical Summary

	SEPTEMBER 2024	AUGUST 2024	SEPTEMBER 2023
PRICES: (Base Zone)			
Uniform Price	\$24.48	\$23.98	\$21.68
Class I Price	25.00	24.72	22.30
Class II Price	22.40	22.05	19.98
Class III Price	23.34	20.66	18.39
Class IV Price	22.29	21.58	19.09
Uniform Skim Milk Price	\$12.29	\$11.82	\$11.23
Class I Skim Milk Price	12.89	12.48	12.04
Class II Skim Milk Price	10.09	9.90	9.34
Class III Skim Milk Price	11.09	8.49	7.72
Class IV Skim Milk Price	10.00	9.44	8.44
Uniform Butterfat Price	\$3.6044	\$3.5911	\$3.0972
Class I Butterfat Price	3.5878	3.6212	3.0510
Class II Butterfat Price	3.6184	3.5702	3.1334
Class III Butterfat Price	3.6114	3.5632	3.1264
Class IV Butterfat Price	3.6114	3.5632	3.1264
PRODUCER MILK:			
Class I	299,106,403	318,430,780	313,734,773
Class II	74,079,241	67,657,422	65,770,305
Class III	16,294,562	29,165,283	34,332,991
Class IV	29,484,909	21,001,803	30,658,249
Total Producer Milk	418,965,115	436,255,288	444,496,318
PERCENT PRODUCER MILK IN:			
Class I	71.39	72.99	70.58
Class II	17.68	15.51	14.80
Class III	3.89	6.69	7.72
Class IV	7.04	4.81	6.90

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

September Milk Production up 0.2%

Milk production in the 24 major States during September totaled 17.5 billion pounds, up 0.2 percent from September 2023.

Production per cow in the 24 major States averaged 1,966 pounds for September, 8 pounds above September 2023.

The number of milk cows on farms in the 24 major States was 8.89 million head, 20,000 head less than September 2023, but unchanged from August 2024.

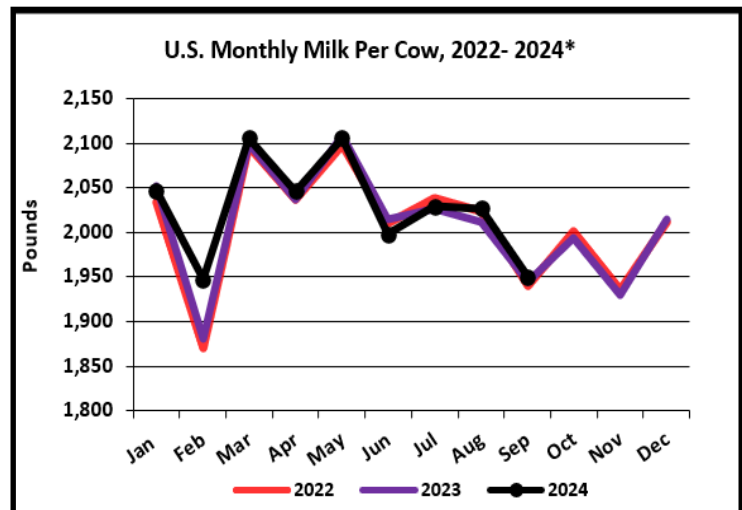
F.O. 5 STATS FOR September 2024:

The Uniform Price
for September 2024 was \$24.48 per cwt., an increase of \$2.80 from September 2023.

Total Class I Milk
for September 2024 was 299.1 million pounds, a decrease of 14.6 million pounds compared to September 2023.

Class I Utilization
was 71.39 percent for September 2024, an increase of 0.81 percentage points from September 2023.

Total Producer Milk
for September 2024 was 418.97 million pounds, a decrease of 17.3 million pounds compared to August 2024.



*Based on entire U.S. production

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

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,174.9	638.5	29.4	23.57
5	Appalachian	419.0	299.1	71.4	24.48
6	Florida	203.3	164.7	81.0	26.19
7	Southeast	267.7	212.1	79.2	25.01
30	Upper Midwest	1,628.0	157.1	9.6	23.10
32	Central	1,052.1	340.9	32.4	22.41
33	Mideast	1,610.4	568.2	35.3	22.72
51	California	1,620.2	389.8	24.1	22.45
124	Pacific Northwest	588.0	129.1	22.0	22.59
126	Southwest	811.0	322.5	39.8	22.89
131	Arizona	306.9	100.5	32.8	22.94
	All Orders	10,681.4	3,322.3	31.1	23.08

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

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