

THE COURIER

Monthly Newsletter

Dairy Outlook

November 2024

Dairy Forecasts for 2024

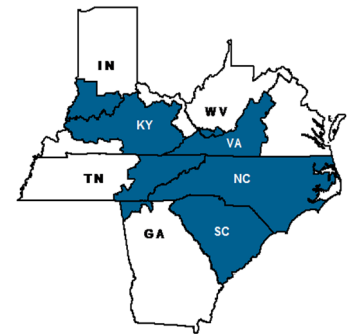
The forecasts for the herd size and milk per cow in the fourth quarter of 2024 are unchanged from the previous month's forecast. However, after adjusting for the third-quarter reported data on herd size and milk per cow, the 2024 forecast for the average number of milk cows is lowered 5 million to 9.330 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. 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).



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Inside this issue:

Appalachian Statistical Summary	2
October Milk Production up 0.4%	2
U.S. Monthly Milk Production, 2022 - 2024	2
Dairy Outlook, cont'd	3
National FMMO Hearing	3
FMMO Statistics – October 2024	4

Appalachian Statistical Summary

	OCTOBER 2024	SEPTEMBER 2024	OCTOBER 2023
PRICES: (Base Zone)			
Uniform Price	\$24.62	\$24.48	\$23.05
Class I Price	26.57	25.00	22.87
Class II Price	21.01	22.40	21.95
Class III Price	22.85	23.34	16.84
Class IV Price	20.90	22.29	21.49
Uniform Skim Milk Price	\$13.42	\$12.29	\$11.36
Class I Skim Milk Price	14.22	12.89	12.52
Class II Skim Milk Price	10.56	10.09	9.25
Class III Skim Milk Price	12.49	11.09	3.98
Class IV Skim Milk Price	10.47	10.00	8.80
Uniform Butterfat Price	\$3.3346	\$3.6044	\$3.4526
Class I Butterfat Price	3.6706	3.5878	3.0817
Class II Butterfat Price	3.0921	3.6184	3.7214
Class III Butterfat Price	3.0851	3.6114	3.7144
Class IV Butterfat Price	3.0851	3.6114	3.7144
PRODUCER MILK:			
Class I	324,094,079	299,106,403	324,575,149
Class II	82,204,533	74,079,241	67,079,693
Class III	18,119,292	16,294,562	36,225,842
Class IV	18,415,500	29,484,909	24,881,412
Total Producer Milk	442,833,404	418,965,115	452,762,096
PERCENT PRODUCER MILK IN:			
Class I	73.19	71.39	71.69
Class II	18.56	17.68	14.82
Class III	4.09	3.89	8.00
Class IV	4.16	7.04	5.49

F.O. 5 STATS FOR October 2024:

The Uniform Price

for October 2024 was \$24.62 per cwt., an increase of \$1.57 from October 2023.

Total Class I Milk

for October 2024 was 324.1 million pounds, a decrease of 0.5 million pounds compared to October 2023.

Class I Utilization

was 73.19 percent for October 2024, an increase of 1.50 percentage points from October 2023.

Total Producer Milk

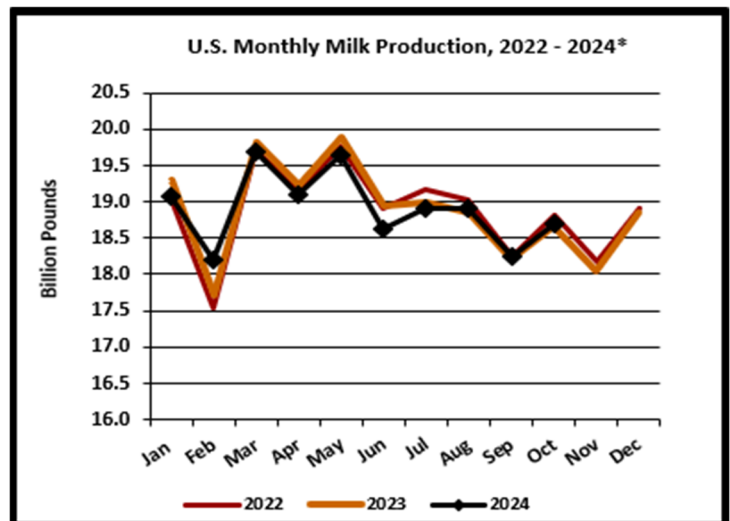
for October 2024 was 442.8 million pounds, an increase of 23.9 million pounds compared to September 2024.

October Milk Production up 0.4%

Milk production in the 24 major States during October totaled 18.0 billion pounds, up 0.4 percent from October 2023. September revised production, at 17.5 billion pounds, was up 0.5 percent from September 2023.

Production per cow in the 24 major States averaged 2,013 pounds for October, 4 pounds above October 2023.

The number of milk cows on farms in the 24 major States was 8.92 million head, 21,000 head more than October 2023, and 16,000 head more than September 2024.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Dairy Forecasts 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. However, with recent price movements and high production and stock levels for butter expected to carry into 2025, the butter price forecast has been lowered to \$2.755 per pound (-3.0 cents).

With higher expected prices for cheese and dry whey, the Class III price forecast for 2025 has been raised from the previous projection by \$0.35 to \$19.30 per cwt. With the lower expected butter price more than offsetting the higher expected NDM price, the Class IV price forecast has been lowered by \$0.05 to \$20.30 per cwt. The all-milk price forecast for 2025 is \$22.85 per cwt, \$0.10 higher than the previous forecast.

Recent Wholesale Dairy Product Prices

The most recent USDA National Dairy Products Sales Report (NDPSR) shows that from the week ending October 5 to the week ending November 2, the direction of changes for wholesale dairy products prices was mixed. The prices for 40-pound blocks and 500-pound barrels (adjusted to 38-percent moisture) of Cheddar cheese declined by 26.27 and 50.98 cents per pound, respectively. Similarly, the price for butter declined by 18.75 cents per pound. Conversely, nonfat dry milk (NDM) and dry whey prices rose by 2.71 and 3.75 cents per pound, respectively.

For the trading week ending November 8th at the Chicago Mercantile Exchange (CME), the spot prices for Cheddar cheese 500-pound barrels and 40-pound blocks averaged \$1.8135 and \$1.7680 per pound, respectively. CME spot prices for butter, NDM, and dry whey averaged \$2.6675, \$1.3880, and \$0.6200 per pound, respectively.

According to USDA, Dairy Market News (DMN), the direction of changes for Oceania and Western Europe export prices for the dairy commodities surveyed in the report from September to October were mixed.

Livestock, Dairy, and Poultry Outlook, LDP-M-365, November 15, 2024,
USDA, Economic Research Service

National FMMO Hearing

Public comments and other information pertaining to the National Federal Milk Marketing Order Pricing Hearing is 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 - October 2024

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,234.5	690.6	30.9	22.93
5	<i>Appalachian</i>	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	10,871.6	3,599.3	33.1	22.45

⁴⁷ Weighted average uniform prices at 3.5% butterfat at announced locations.

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