

THE COURIER

Monthly Newsletter

Dairy Outlook

January 2025

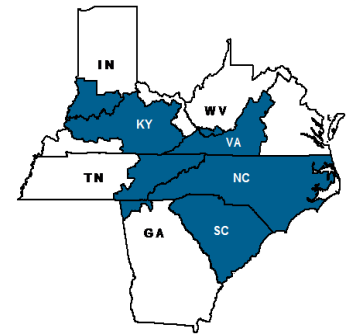
Dairy Estimates for 2024

Based on recent milk cow inventory and milk production data, the 2024 estimates for the average number of milk cows, milk per cow, and milk production have been lowered from the previous forecast by 5,000 head, 50 pounds per cow, and 0.5 billion pounds, respectively. With these changes, the new 2024 estimates for these production projections are: 9.340 million head for the average number of milk cows, 24,170 pounds for milk per cow, and 225.8 billion pounds for milk production.

With relatively high November export volumes to South Korea, Mexico, and the Philippines, the estimate for total 2024 dairy exports on a milk-fat basis are increased to 11.8 (+0.1) billion pounds. However, given the lack of price competitiveness for nonfat and skim milk powder products (NDM/SMP) and dry whey products, the estimates for exports on a skim-solids basis are revised downward to 49.1(-0.3) billion pounds. For 2024 imports, following recent strong butter imports from Ireland, the annual estimate on a milk-fat basis is increased to 9.5 (+0.3) billion pounds. However, on a skim-solids basis, the estimates for dairy imports are unchanged at 6.8 billion pounds.

The estimate for 2024 ending stocks on a milk-fat basis has been decreased to 13.2 (-0.5) billion pounds, but the estimate on a skim-solids basis has been increased to 9.9 (+0.1) billion pounds. The estimates for 2024 domestic use have been adjusted to reflect recent data. On a milk-fat basis, the estimate for domestic use is 223.0 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the estimate for 2024 domestic use is 182.4 billion pounds, 0.4 billion lower than the previous forecast.

While most dairy supply and use data are not yet available for December, complete 2024 prices data are available except for the all-milk price. For the year, the average wholesale prices for Cheddar cheese, dry whey, butter, and nonfat dry milk (NDM) were \$ 1.8634, \$ 0.4913, \$ 2.8870, and \$ 1.2420 per pound, respectively. Class III and IV milk prices averaged \$18.89 and \$20.75 per hundredweight (cwt), respectively. The all-milk price estimate for 2024 is \$22.60 per cwt, 5 cents lower from last month's forecast.



Jason Nierman
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Appalachian Statistical Summary

	DECEMBER 2024	NOVEMBER 2024	DECEMBER 2023
PRICES: (Base Zone)			
Uniform Price	\$23.43	\$24.72	\$21.39
Class I Price	24.83	25.93	23.16
Class II Price	21.28	21.52	19.88
Class III Price	18.62	19.95	16.04
Class IV Price	20.74	21.12	19.23
Uniform Skim Milk Price	\$13.40	\$14.48	\$10.62
Class I Skim Milk Price	14.38	15.71	11.35
Class II Skim Milk Price	11.47	11.17	9.78
Class III Skim Milk Price	8.74	9.57	5.82
Class IV Skim Milk Price	10.94	10.78	9.13
Uniform Butterfat Price	\$3.0003	\$3.0706	\$3.1845
Class I Butterfat Price	3.1281	3.0766	3.4866
Class II Butterfat Price	2.9174	3.0693	2.9848
Class III Butterfat Price	2.9104	3.0623	2.9778
Class IV Butterfat Price	2.9104	3.0623	2.9778
PRODUCER MILK:			
Class I	318,864,711	308,450,987	315,106,850
Class II	72,522,742	73,844,056	64,058,213
Class III	41,771,898	31,803,746	41,662,641
Class IV	29,679,013	21,022,241	45,092,509
Total Producer Milk	462,838,364	435,121,030	465,920,213
PERCENT PRODUCER MILK IN:			
Class I	68.89	70.89	67.63
Class II	15.67	16.97	13.75
Class III	9.03	7.31	8.94
Class IV	6.41	4.83	9.68

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

December Milk Production down 0.4%

Milk production in the 24 major States during December totaled 18.0 billion pounds, down 0.4 percent from December 2023. November revised production, at 17.3 billion pounds, was down 0.3 percent from November 2023.

Production per cow in the 24 major States averaged 2,020 pounds for December, 11 pounds below December 2023.

The number of milk cows on farms in the 24 major States was 8.91 million head, 17,000 head more than December 2023, but 8,000 head less than November 2024.

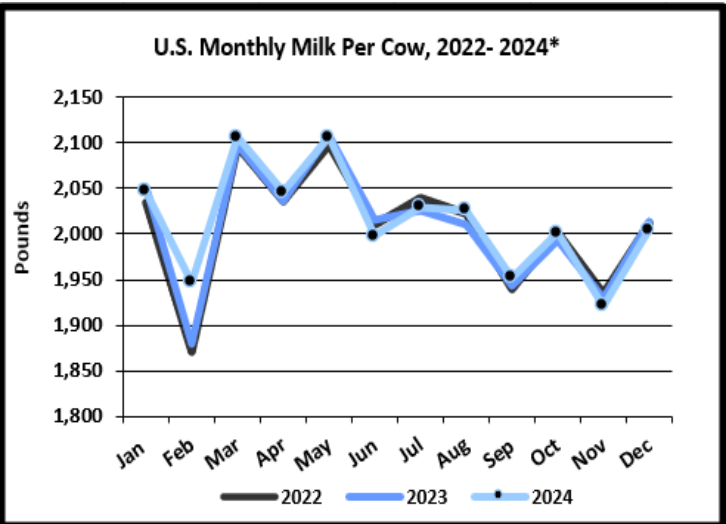
**F.O. 5 STATS FOR
December 2024:**

The Uniform Price
for December 2024 was \$23.43 per cwt., an increase of \$2.04 from December 2023.

Total Class I Milk
for December 2024 was 318.9 million pounds, an increase of 10.4 million pounds compared to November 2024.

Class I Utilization
was 68.89 percent for December 2024, a decrease of 2.00 percentage points from November 2024.

Total Producer Milk
for December 2024 was 462.8 million pounds, an increase of 27.7 million pounds compared to November 2024.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Dairy Forecasts for 2025

Following recent milk cow average inventory data, the forecast for the average number of cows has been lowered for the first half of the year. The forecast for milk per cow has been reduced by 85 pounds to 24,200 pounds. This reduction in forecasts reflects, in part, the lower-than-expected milk per cow in the fourth quarter of 2024 but also the expectation that the growth in milk components will likely balance out the lower-than-average growth in milk per cow.

With lower forecasts for dairy inventory as well as milk per cow, milk production for 2025 is forecast at 227.2 billion pounds, about 0.8 billion pounds less than the previous forecast. NASS will issue its Cattle report on January 31 that will include milk cow inventory data along with dairy replacement heifer numbers. The report will give insight into the current state of the herd and will inform the outlook for much of 2025.

The dairy import forecasts for 2025 have been raised on a milk-fat basis to 9.3 billion pounds (+0.2 billion) but lowered to 7.3 billion pounds (-0.1 billion) on a skim-solids basis. While higher imports are expected for butter and cheese, lower imports are expected for casein products and milk protein concentrate.

As domestic prices for butter and cheese are expected to remain competitive in world markets, the 2025 dairy export forecast on a milk-fat basis has been raised 0.2 billion pounds to 11.9 billion. Conversely, the lack of price competitiveness for dry whey and nonfat dry milk is expected to further limit dairy exports. Consequently, the 2025 dairy export forecast on a skim-solids basis has been revised downward to 49.1 (-0.40) billion pounds.

With a lowered forecast for milk production and higher projected prices for dairy products, the 2025 forecasts for domestic use are adjusted downward relative to last month's projection. On a skim-solids basis, domestic disappearance has been lowered by 1.0 billion pounds to 184.1 billion pounds. On a milk-fat basis, 2025 domestic disappearance is forecast at 223.8 billion pounds, 1.3 billion pounds lower than the last forecast.

Based on recent movement in product prices, the 2025 average price forecasts for the major dairy products have been raised from the previous forecast. Wholesale price forecasts for Cheddar cheese, dry whey, butter, and NDM have been raised to \$1.865 (+6.5 cents), \$0.640 (+4.5 cents), \$2.695 (+1.0 cents), and \$1.340 (+4.0 cents) per pound, respectively. The higher product price forecasts support upward revisions for milk class prices as follows: for Class III milk to \$19.70 (+\$0.90) per cwt, and for Class IV to \$20.80 (+\$0.40) per cwt. The all-milk price for 2025 is now forecast at \$23.05, up \$0.50 cents from last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-367, January 16, 2025,
USDA, Economic Research Service

USDA Issues Final Rule on Amendments to the Federal Milk Marketing Orders

On January 16, 2025, the U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) announced a final rule amending the uniform pricing formulas applicable in all 11 Federal milk marketing orders (FMMOs). The final rule was made available for viewing on January 16, 2025, in the Federal Register and on AMS's National Federal Milk Marketing Order Pricing Formula Hearing Webpage. It was published in the Federal Register on January 17, 2025.

For more information: <https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing>

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Federal Milk Marketing Order Statistics - December 2024

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,274.0	674.7	29.7	21.47
5 Appalachian	462.8	318.9	68.9	23.43
6 Florida	216.7	173.3	80.0	25.44
7 Southeast	298.0	231.2	77.6	24.18
30 Upper Midwest	2,077.8	162.9	7.9	18.98
32 Central	1,169.7	362.6	31.0	19.95
33 Mideast	1,533.4	617.8	40.3	20.51
51 California	1,776.7	413.1	23.3	19.99
124 Pacific Northwest	580.9	128.7	22.2	19.94
126 Southwest	1,116.5	328.9	29.5	20.55
131 Arizona	333.9	117.9	35.3	21.12
All Orders	11,840.3	3,529.9	29.8	20.58

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

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