

# THE COURIER

Monthly Newsletter

## Dairy Outlook

May 2025

### Dairy Forecasts for 2025

Based on recent data, the forecasts for the average number of dairy cows and milk per cow for 2025 have been raised from the previous forecast by 5,000 head and 25 pounds per cow, respectively. The national milking herd is projected to average 9.410 million head in 2025 while the milk per cow is projected to average 24,155 pounds per cow. Milk production in 2025 is forecast now at 227.3 billion pounds, an increase of 0.4 billion pounds from the last forecast.

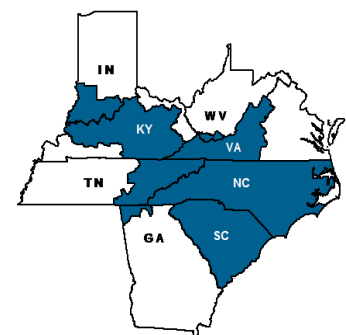
The dairy import forecast for 2025 is unchanged from last month's forecast, at 6.7 billion pounds on a skim-solids basis but lowered 0.2 billion to 8.3 billion pounds on a milk-fat basis. Lower imports are expected for butter and milk protein concentrate, while higher imports are expected for cheese.

The dairy export forecasts for 2025 are adjusted upward from last month's forecast. On a milkfat basis 2025 dairy exports are forecast at 12.2 (+0.4) billion pounds, while on a skim-solids basis the 2025 dairy export forecast was revised to 45.4 (+0.8) billion pounds. These forecast adjustments take into consideration the most recent trade data and the trade policy in place at the time of the publication of the WASDE. Higher exports are expected for butter, cheese, dry skim milk products, lactose, and dry whey products.

With higher projected wholesale prices for dairy products, the 2025 forecasts for domestic use are adjusted downward compared to last month's projections as follows: on a skim-solids basis, domestic disappearance is forecast at 185.6 (-1.7) billion pounds, and on a milk-fat basis, it is forecast at 222.9 (-0.2) billion pounds. The forecast for 2025 ending stocks on a milk-fat basis is unchanged at 12.6 billion pounds. However, on a skim-solids basis, the forecast for 2025 ending stocks is raised by 0.7 billion to 11.5 billion pounds, as higher expected milk production and reduced expectations for domestic use will likely offset the increased forecast for exports.

Based on recent price movements, the 2025 average wholesale price forecasts for the main dairy products have been adjusted upward from last month's projections as follows: Cheddar cheese \$1.840 (+5.0 cents), dry whey \$0.535 (+2.5 cents), butter \$2.460 (+1.5 cents), and NDM \$1.240 (+2.0 cents) per pound, respectively.

The higher product price forecasts support upward revisions to forecasts of Class III and IV milk prices to \$18.70 (+\$1.10) and \$18.45 (+\$0.25) per cwt, respectively. The all-milk price for 2025 is now forecast at \$21.60, up \$0.50 from last month's forecast.



Jason Nierman  
Market Administrator

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## Appalachian Statistical Summary

	APRIL 2025	MARCH 2025	APRIL 2024
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$21.72	\$22.60	\$21.80
Class I Price	22.97	24.42	22.58
Class II Price	19.22	20.12	21.23
Class III Price	17.48	18.62	15.50
Class IV Price	17.92	18.21	20.11
Uniform Skim Milk Price	\$12.89	\$13.55	\$10.59
Class I Skim Milk Price	14.15	14.85	11.55
Class II Skim Milk Price	10.31	11.31	9.89
Class III Skim Milk Price	8.54	9.78	3.98
Class IV Skim Milk Price	8.99	9.35	8.76
Uniform Butterfat Price	\$2.6514	\$2.7210	\$3.3082
Class I Butterfat Price	2.6624	2.8824	3.2682
Class II Butterfat Price	2.6476	2.6312	3.3379
Class III Butterfat Price	2.6406	2.6242	3.3309
Class IV Butterfat Price	2.6406	2.6242	3.3309
<b>PRODUCER MILK:</b>			
Class I	301,094,103	299,210,036	312,266,003
Class II	89,144,593	71,851,465	63,856,003
Class III	32,816,190	21,482,070	38,585,679
Class IV	29,661,908	57,945,807	36,180,182
<b>Total Producer Milk</b>	<b>452,716,794</b>	<b>450,489,378</b>	<b>450,887,867</b>
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	66.51	66.42	69.26
Class II	19.69	15.95	14.16
Class III	7.25	4.77	8.56
Class IV	6.55	12.86	8.02

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

### April Milk Production Up 1.6%

Milk production in the 24 major States during April totaled 18.6 billion pounds, up 1.6 percent from April 2024. March revised production, at 19.1 billion pounds, was up 1.1 percent from March 2024.

Production per cow in the 24 major States averaged 2,071 pounds for April, 12 pounds above April 2024.

The number of milk cows on farms in the 24 major States was 8.98 million head, 93,000 head more than April 2024, and 7,000 head more than March 2025.

### F.O. 5 STATS FOR April 2025:

#### The Uniform Price

for April 2025 was \$21.72 per cwt., a decrease of \$0.88 from March 2025.

#### Total Class I Milk

for April 2025 was 301.1 million pounds, an increase of 1.9 million pounds compared to March 2025.

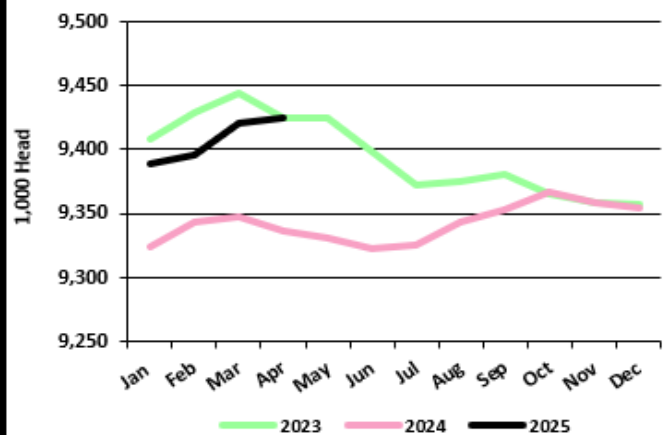
#### Class I Utilization

was 66.51 percent for April 2025, an increase of 0.09 percentage points from March 2025.

#### Total Producer Milk

for April 2025 was 452.7 million pounds, an increase 2.2 million pounds compared to March 2025.

U.S. Monthly Number of Cows, 2023 - 2025 \*



\*Based on entire U.S. production

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## Dairy Outlook, cont'd from pg. 1

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### *Dairy Forecasts for 2026*

The national dairy herd is forecast to continue moderately expanding in 2026 supported by expectations that the favorable farm margins of 2024 persist through 2025. The growth of the dairy herd will be limited by the availability of replacement heifers as well as by robust demand for beef-on-dairy calves in the beef sector. Dairy herd productivity measured as milk per cow is also expected to increase in 2026 but at a pace lower than historical levels. Milk component percentages, especially on the fat side, are projected to continue to increase at robust growth rates. Exports of dairy products are increased following the announcement of China's reduction in tariffs on U.S. imports on May 12. However, dairy products such as cheese and butter are expected to maintain competitive margins in other international markets as well. Higher milk production and growth in components in 2026 compared to 2025 are expected to contribute to lower wholesale prices for the dairy products. Lower domestic prices in 2026 will be supportive of higher domestic use. Ending stocks in 2026 are forecast to be lower relative to 2025, as the expected growth in milk production will likely be offset by the increase in domestic use and changes in exports.

The national dairy herd in 2026 is projected to increase by 10,000 head relative to 2025 averaging 9.420 million head for the year. The 2026 forecast for average milk per cow is 24,195 pounds, about 0.2 percent higher year over year. Consequently, milk supply for 2026 is projected to total 227.9 billion pounds, about 0.3 percent higher than the forecast for 2025.

Imports in 2026 are expected to be above 2025, with imports on a milk-fat basis projected at 8.7 billion pounds (+0.4 billion pounds), and imports on a skim-solids basis projected at 6.8 billion pounds, 0.1 billion pounds higher than 2025. Recent increases in imports of butter are expected to continue through 2026.

U.S. exports on a skim-solids basis are expected to increase in 2026 due to higher expected shipments of dry whey products and lactose. However, on a milk-fat basis, 2026 exports are forecast to decrease relative to 2025. The 2026 forecasts for exports are 11.8 billion pounds on a milk-fat basis (0.4 billion pounds lower than 2025 forecast), and 46.9 billion pounds on a skim solids basis (1.5 billion pounds above the 2025 forecast).

Driven by lower expected prices and higher domestic product availability, 2026 domestic use is expected to grow at a moderate pace relative to 2025. The 2026 forecasts for domestic use are 224.2 billion pounds on a milk-fat basis (1.3 billion pounds above the 2025 forecast) and 187.4 billion pounds on a skim-solids basis (1.8 billion pounds above 2025).

The wholesale prices for the main dairy products are forecast to decrease relative to 2025. The 2026 projections for the average wholesale dairy product prices are as follows: Cheddar cheese \$1.800 (-4.00 cents), butter \$2.450 (-1.00 cents), NDM \$1.215 (-2.50 cents), and dry whey \$0.470 (-6.50 cents) per pound, respectively.

Following lower year-over-year price projections across all the major dairy products, Class III and IV milk prices in 2026 are also projected lower year over year. The 2026 Class III milk price is forecast at \$17.50 (-\$1.20) per cwt while the Class IV milk price is forecast at \$18.10 (-\$0.35) per cwt. Consequently, the 2026 all-milk price is projected to average \$21.15 per cwt, \$0.45 lower than the 2025 forecast of \$21.60 per cwt.

**APPALACHIAN MARKETING AREA  
FEDERAL ORDER 5**

Market Administrator  
PO Box 91528  
Louisville KY 40291-0528

**ADDRESS SERVICE REQUESTED**

Phone: 502.499.0040  
Fax: 502.499.8749  
Email: nierman@malouisville.com



## Federal Milk Marketing Order Statistics - April 2025

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
<b>1 Northeast</b>	<b>2,326.5</b>	<b>641.8</b>	<b>27.6</b>	<b>19.72</b>
<b>5 Appalachian</b>	<b>452.7</b>	<b>301.1</b>	<b>66.5</b>	<b>21.72</b>
<b>6 Florida</b>	<b>214.2</b>	<b>168.8</b>	<b>78.8</b>	<b>23.71</b>
<b>7 Southeast</b>	<b>310.2</b>	<b>220.0</b>	<b>70.9</b>	<b>22.29</b>
<b>30 Upper Midwest</b>	<b>2,583.7</b>	<b>159.1</b>	<b>6.2</b>	<b>17.75</b>
<b>32 Central</b>	<b>1,366.2</b>	<b>341.2</b>	<b>25.0</b>	<b>18.27</b>
<b>33 Mideast</b>	<b>1,529.0</b>	<b>511.5</b>	<b>33.5</b>	<b>18.80</b>
<b>51 California</b>	<b>3,271.4</b>	<b>385.9</b>	<b>11.8</b>	<b>18.37</b>
<b>124 Pacific Northwest</b>	<b>683.3</b>	<b>118.7</b>	<b>17.4</b>	<b>18.20</b>
<b>126 Southwest</b>	<b>1,396.9</b>	<b>323.7</b>	<b>23.2</b>	<b>19.05</b>
<b>131 Arizona</b>	<b>388.2</b>	<b>112.4</b>	<b>29.0</b>	<b>19.25</b>
<b>All Orders</b>	<b>14,522.3</b>	<b>3,284.4</b>	<b>22.6</b>	<b>18.86</b>

<sup>1/</sup> Weighted average uniform prices at 3.5% butterfat at announced locations.

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