

A black and white cow with yellow ear tags is the central focus, looking towards the camera. It is in a metal stall with other cows visible in the background. The scene is set in a barn with straw bedding.

2025 Dairy Outlook

Wednesday, January 22, 2025



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Christopher Wolf



E.V. Baker Professor of
Agricultural Economics

Cornell CALS
College of Agriculture and Life Sciences



Dyson
Cornell
SC Johnson College of Business

Megan Clancy



Dairy & Livestock Risk
Management Specialist

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2025 US Dairy Situation & Outlook

Christopher A. Wolf

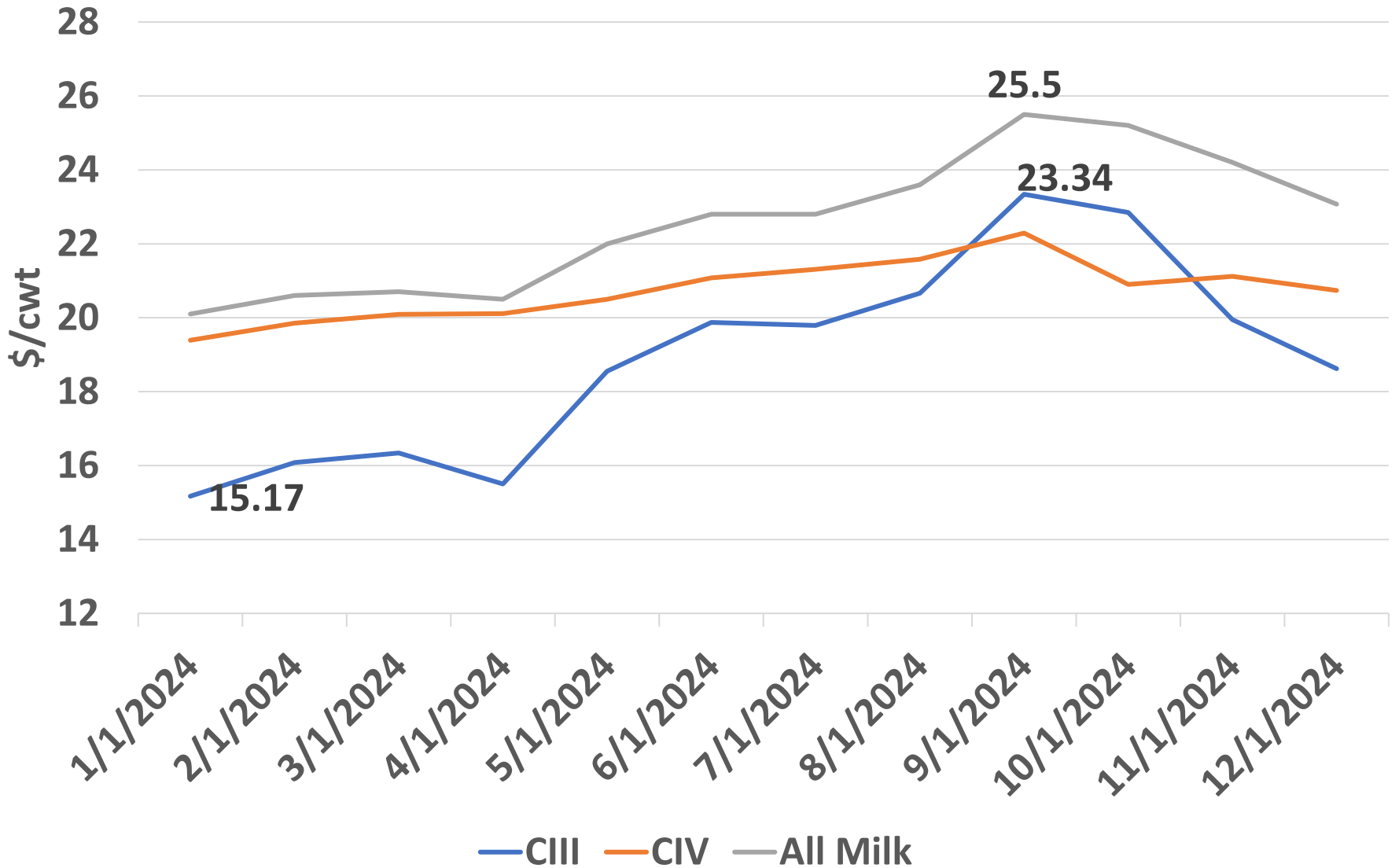
E.V. Baker Professor of Agricultural Economics

Dyson School of Applied Economics and Management

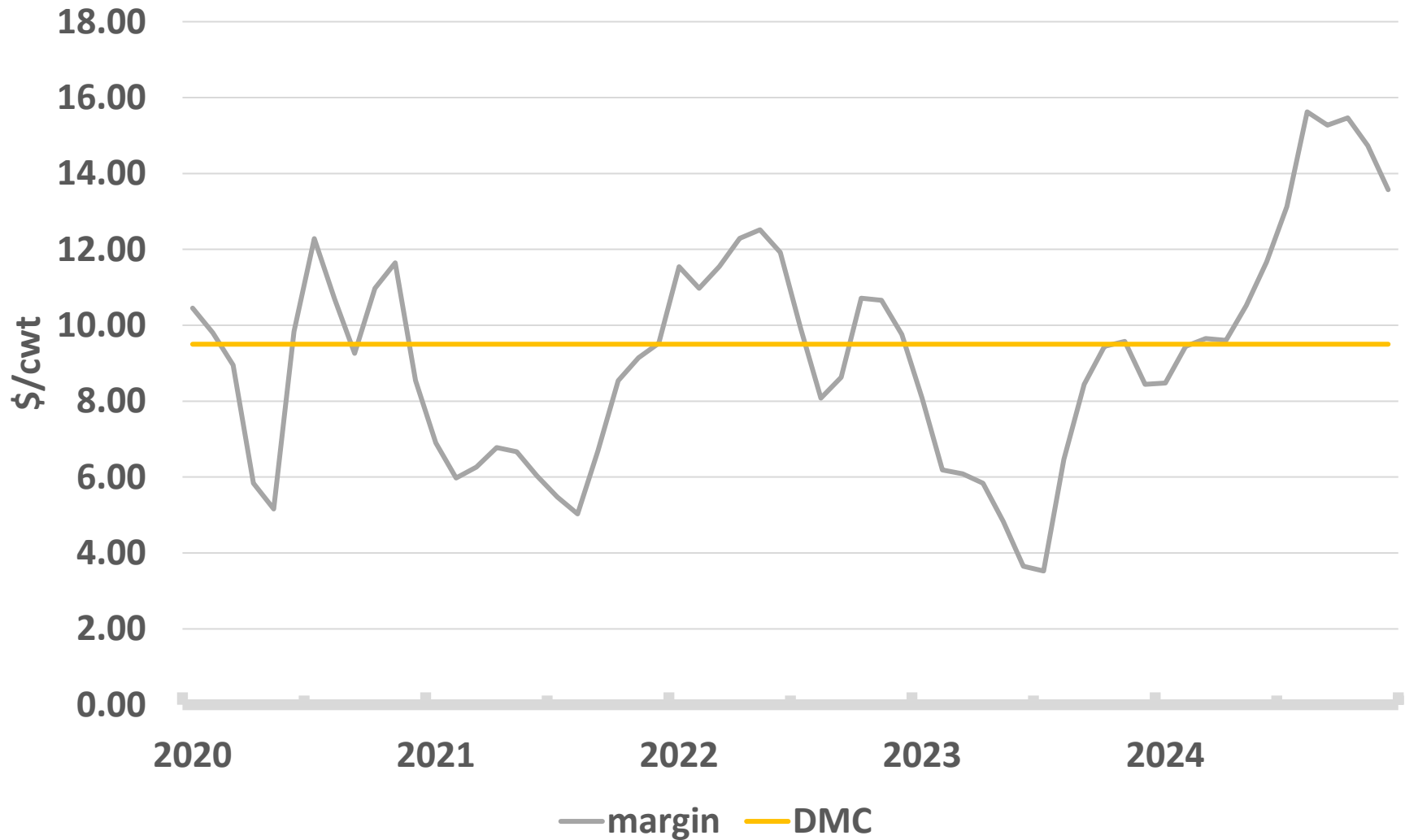
Cornell University

January 22, 2025

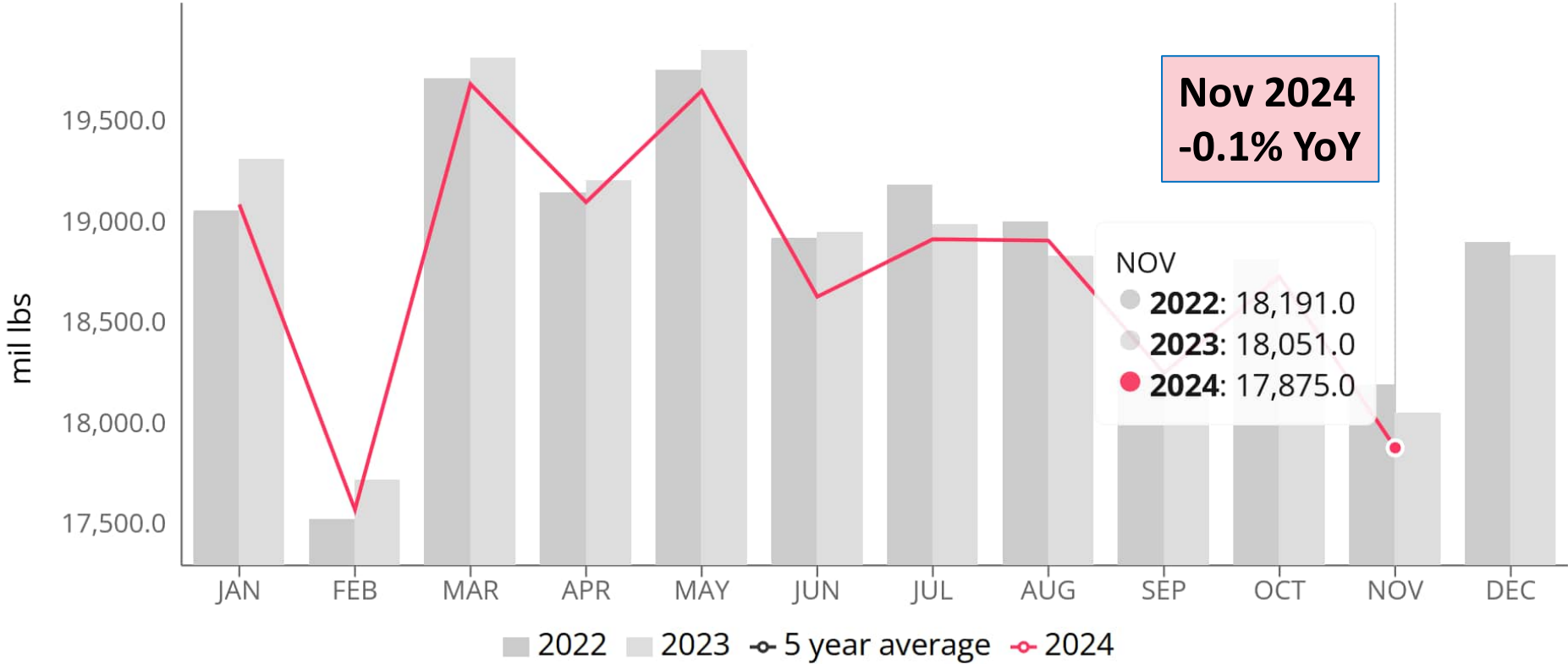
2024 Milk Prices



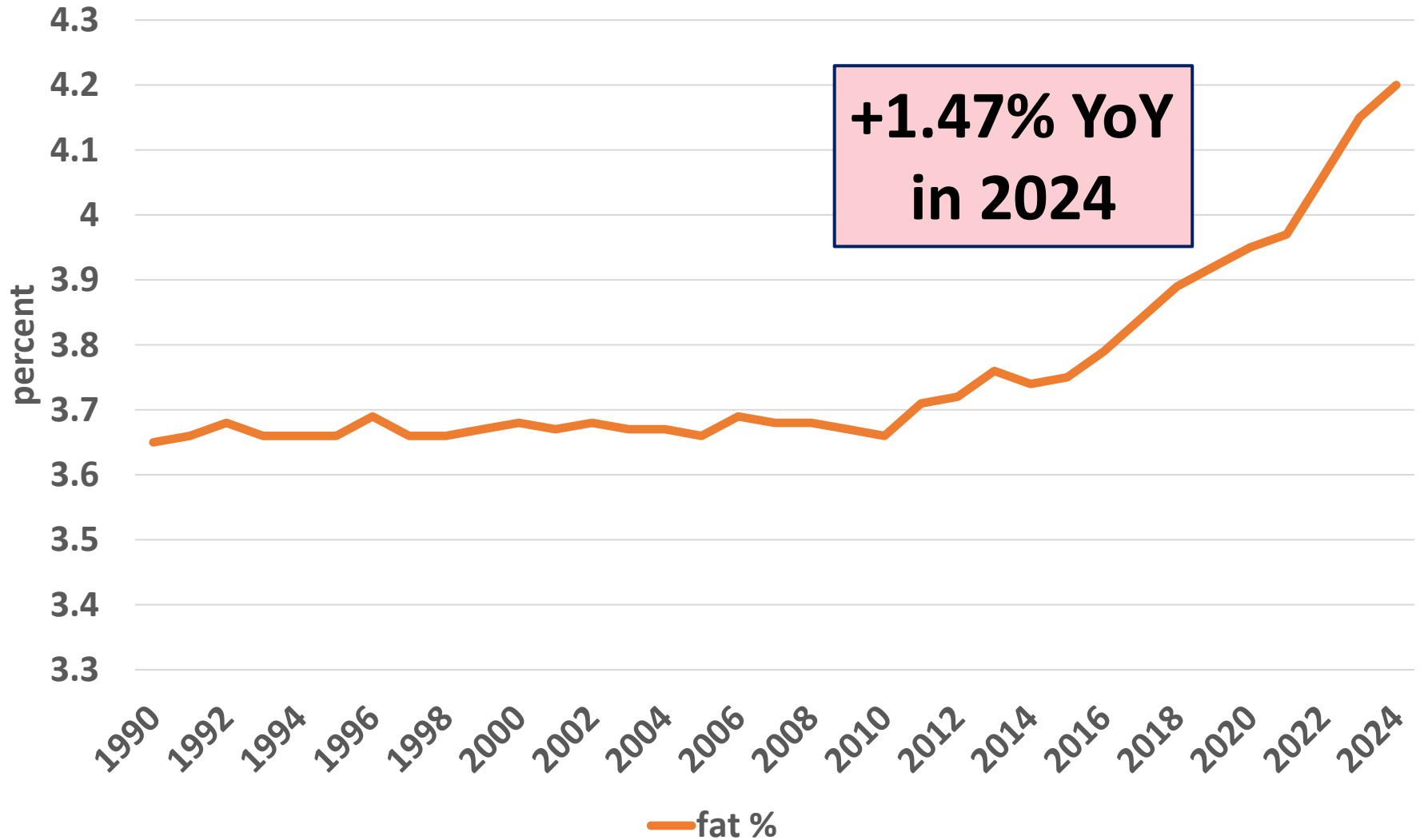
Income Over Feed Cost Margin



US Milk Production

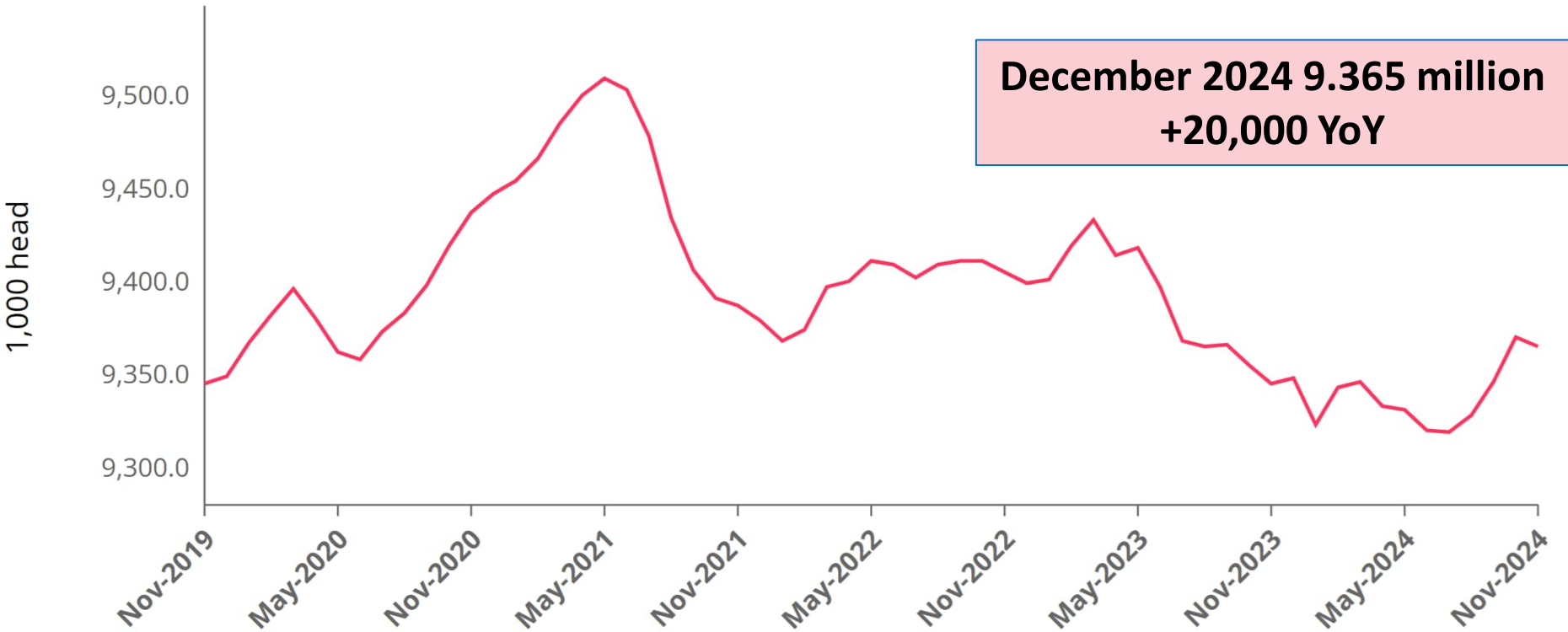


US Average Butterfat Test



US Milk Cows

Milk Cows - United States
Simple Line Chart



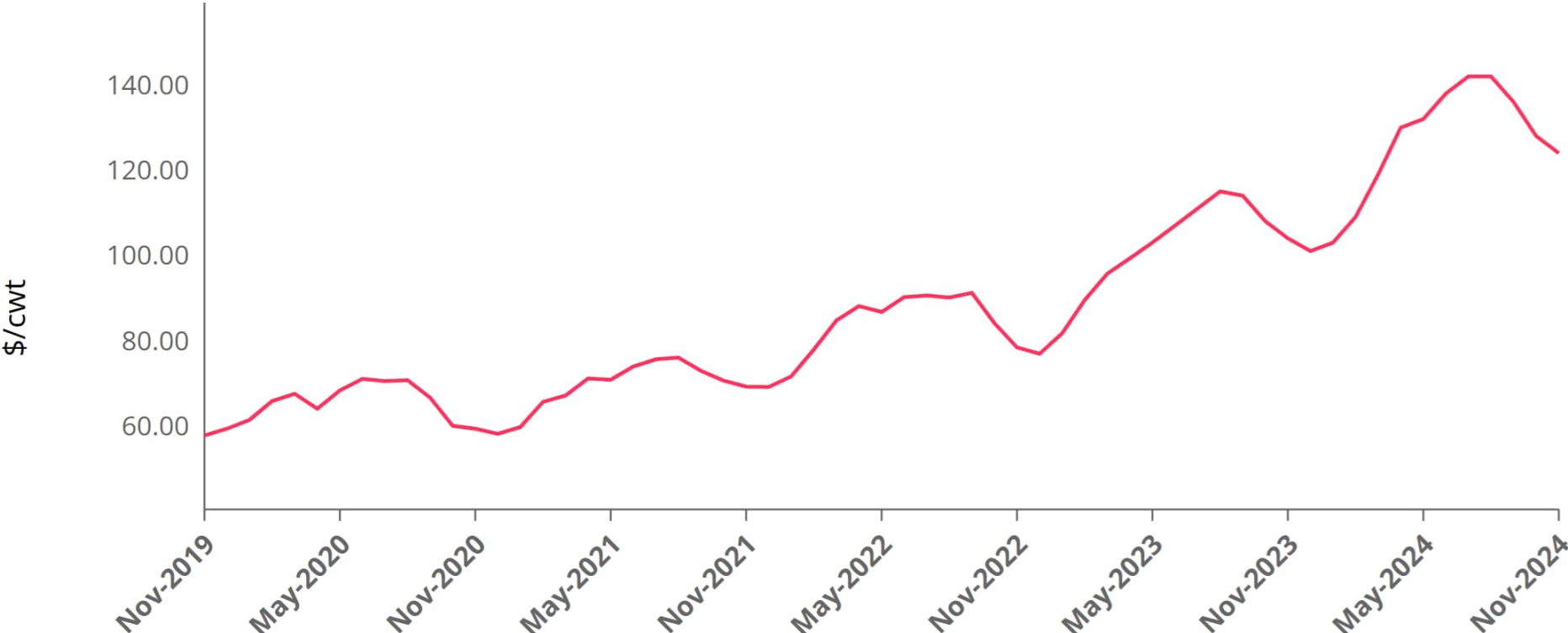
Weekly Dairy Cow Slaughter

2024 -11.9% vs 2023



Cows, Slaughter, Price - United States

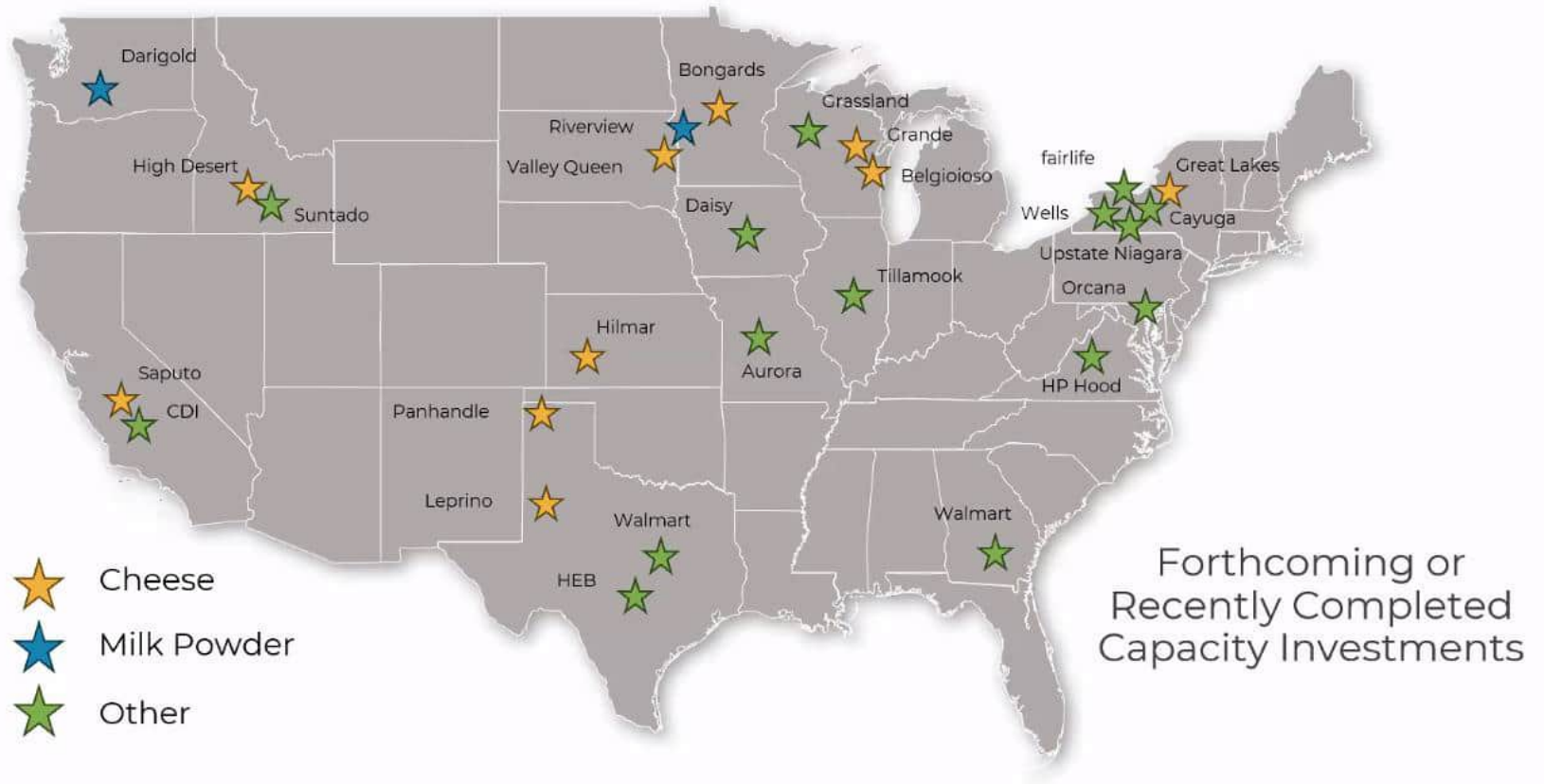
Simple Line Chart



Factors to Watch

- Demand
 - Trade issues
 - Domestic economy
 - New plants
- Supply
 - Disease
 - Labor
 - Weather
 - New plants

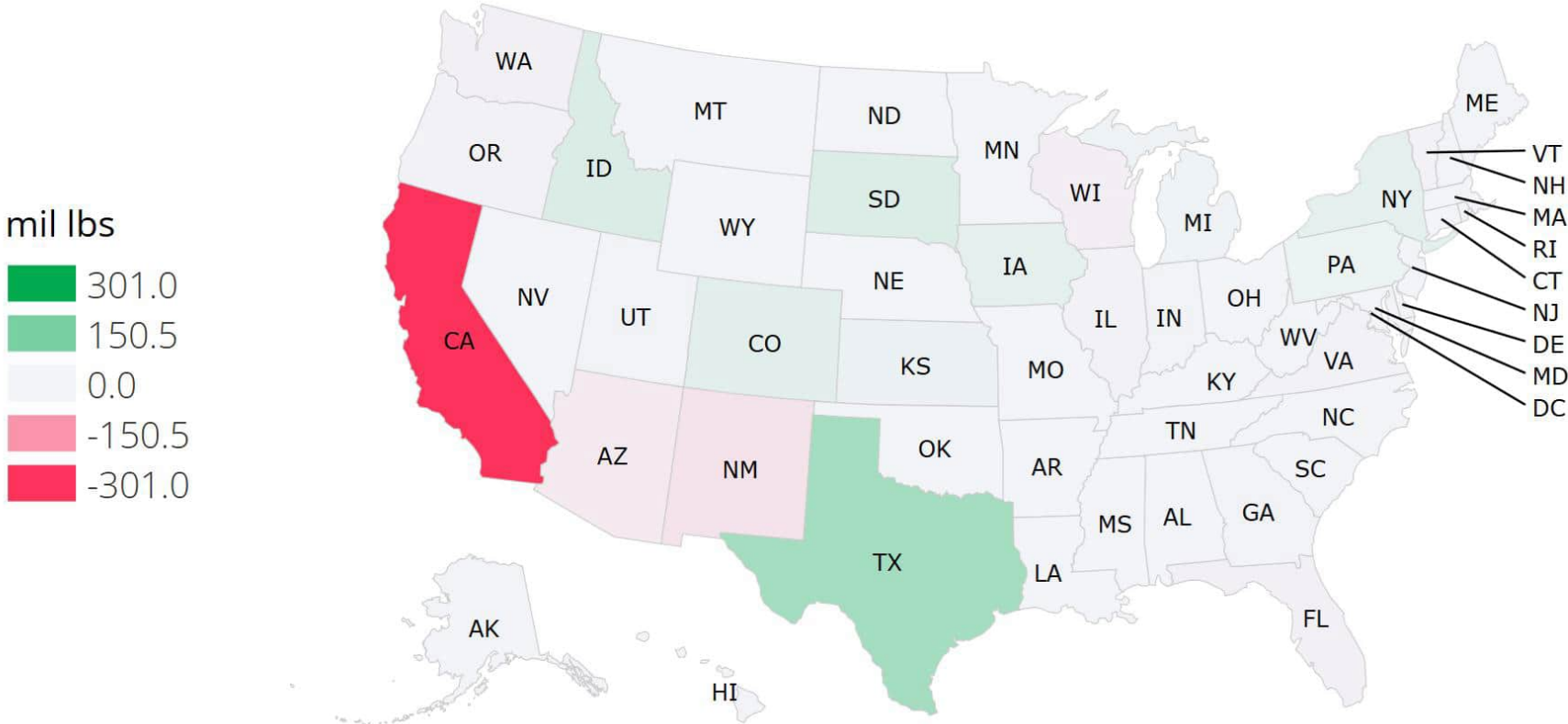
New Milk Necessary for New Capacity



Milk Production - United States

U.S. States Map

California -9.2% YoY Nov'24
Cow numbers unchanged
All due to milk/cow



Choose time period
Total Outbreak

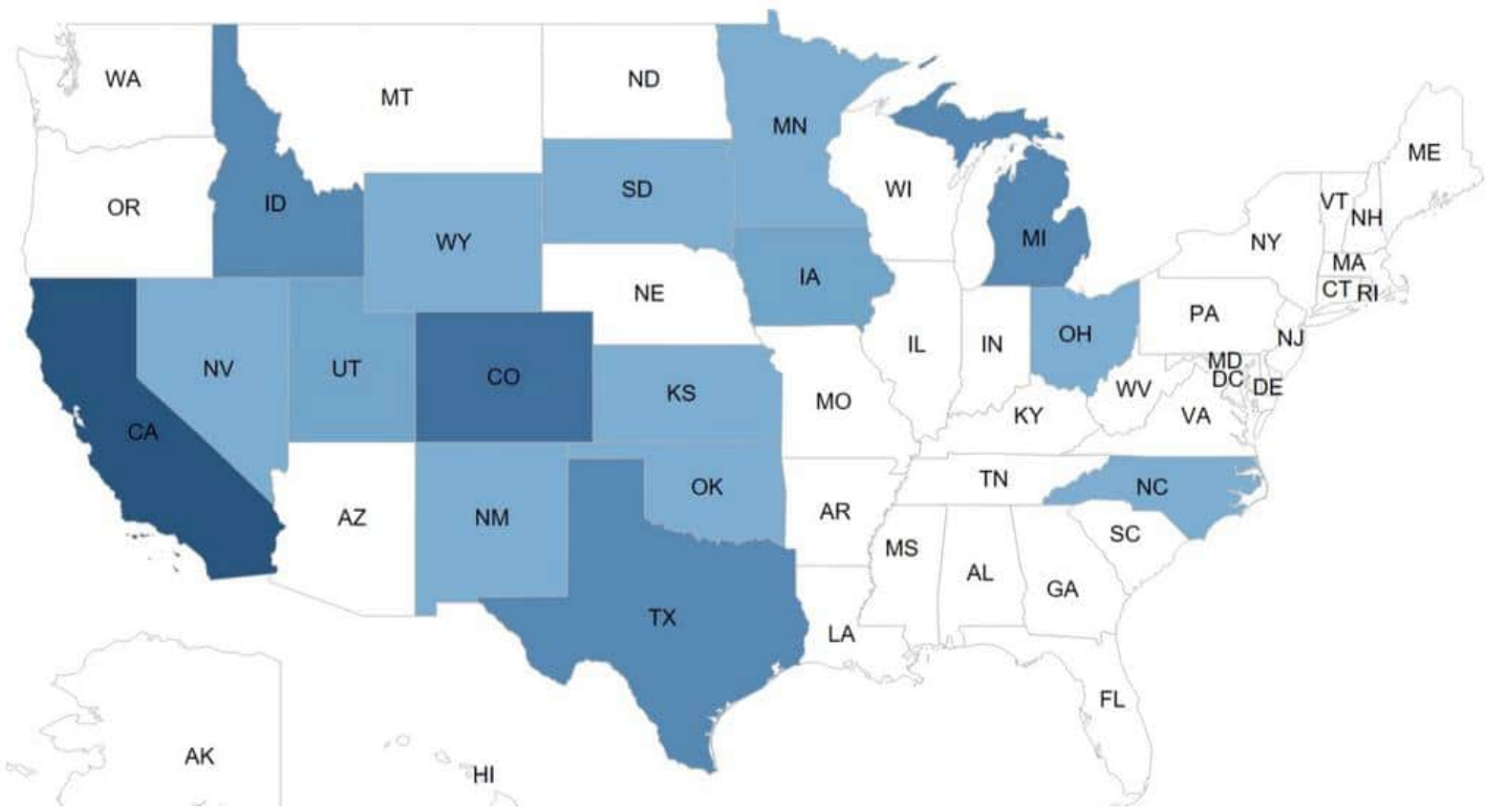
Choose species
Cattle

[Click for International Exports](#)

Situational Update

In the Total Outbreak, in Cattle, there were:
832 Confirmed Cases in **16** States

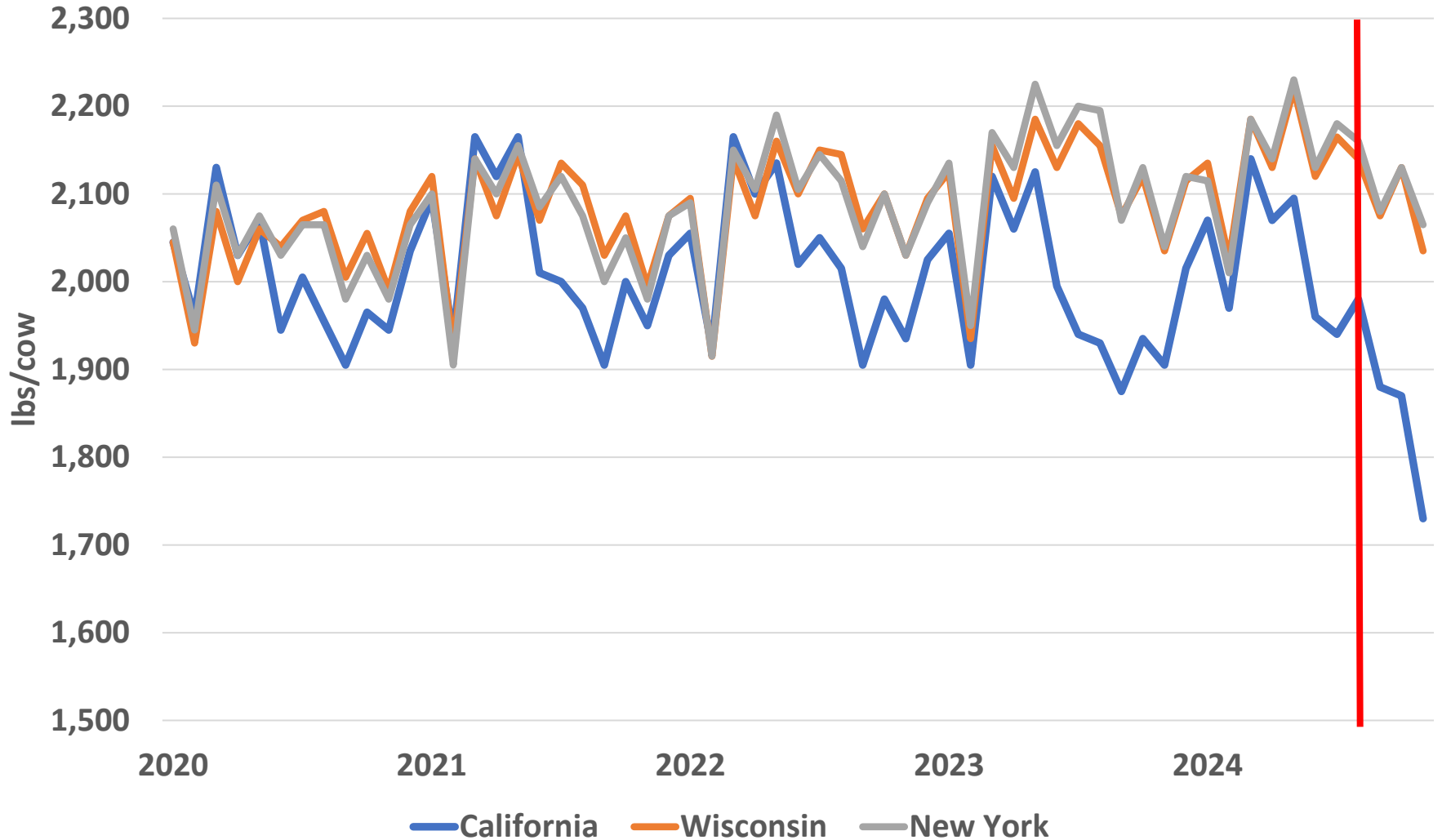
Number of Confirmed Cases in Cattle by State, Total Outbreak



Highly Pathogenic Avian Influenza

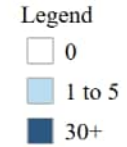
- As of December 12th, Highly Pathogenic Avian Influenza (HPAI) was confirmed in 16 States and 832 dairy herds. However, since the beginning of December, out of the 832 herds, HPAI has been detected in 143 herds, located in California (142) and Nevada (1). The affected cows and herds are quarantined until they recover. Once they recover, most cows return to producing milk.
- On December 6, USDA announced its National Milk Testing Strategy (NMTS) and a new Federal Order requiring that raw (unpasteurized) milk samples be collected nationwide from any entity responsible for a dairy farm, bulk milk transporter, bulk milk transfer station, or dairy processing facility that sends or holds milk intended for pasteurization and shared with the USDA for testing. The new Federal Order complements the USDA's Federal Order issued on April 24 that required mandatory testing for lactating dairy cows prior to interstate movement and mandated the reporting of positive influenza A test results in livestock.

Milk/Cow (lbs)

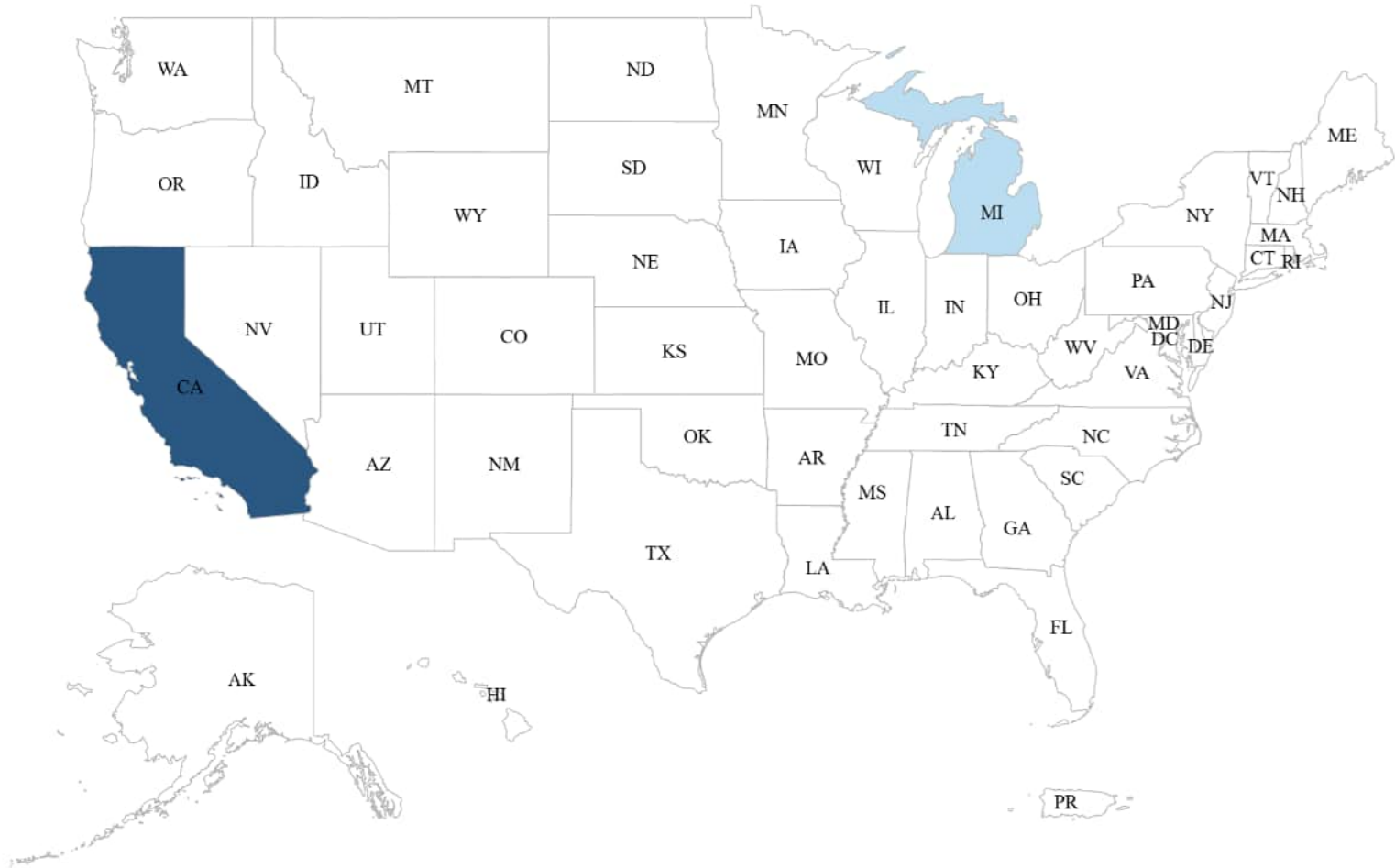


In the Last 30 Days, in Cattle, there were:
49 New Confirmed Cases in 2 States

Number of New Confirmed Cases in Cattle by State, Last 30 Days

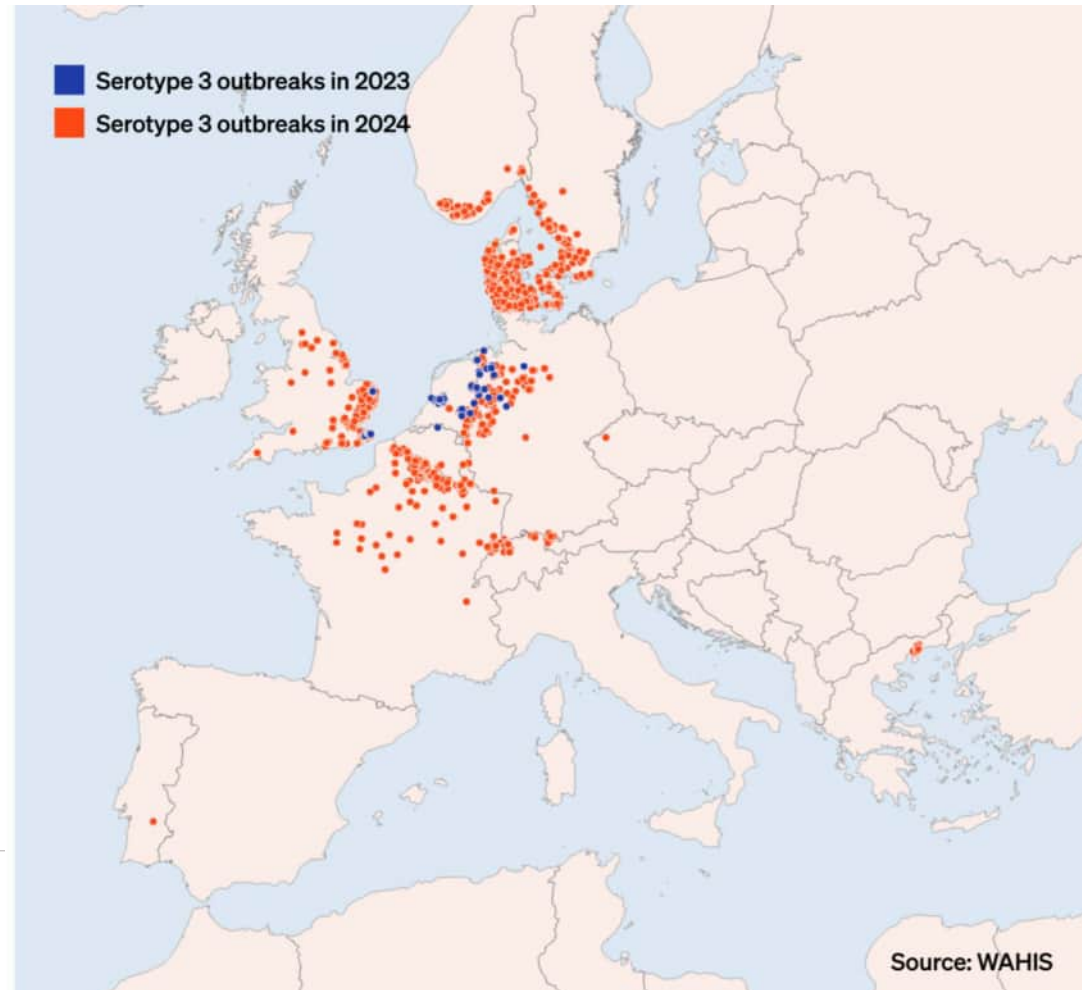


Latest through January 22, 2025



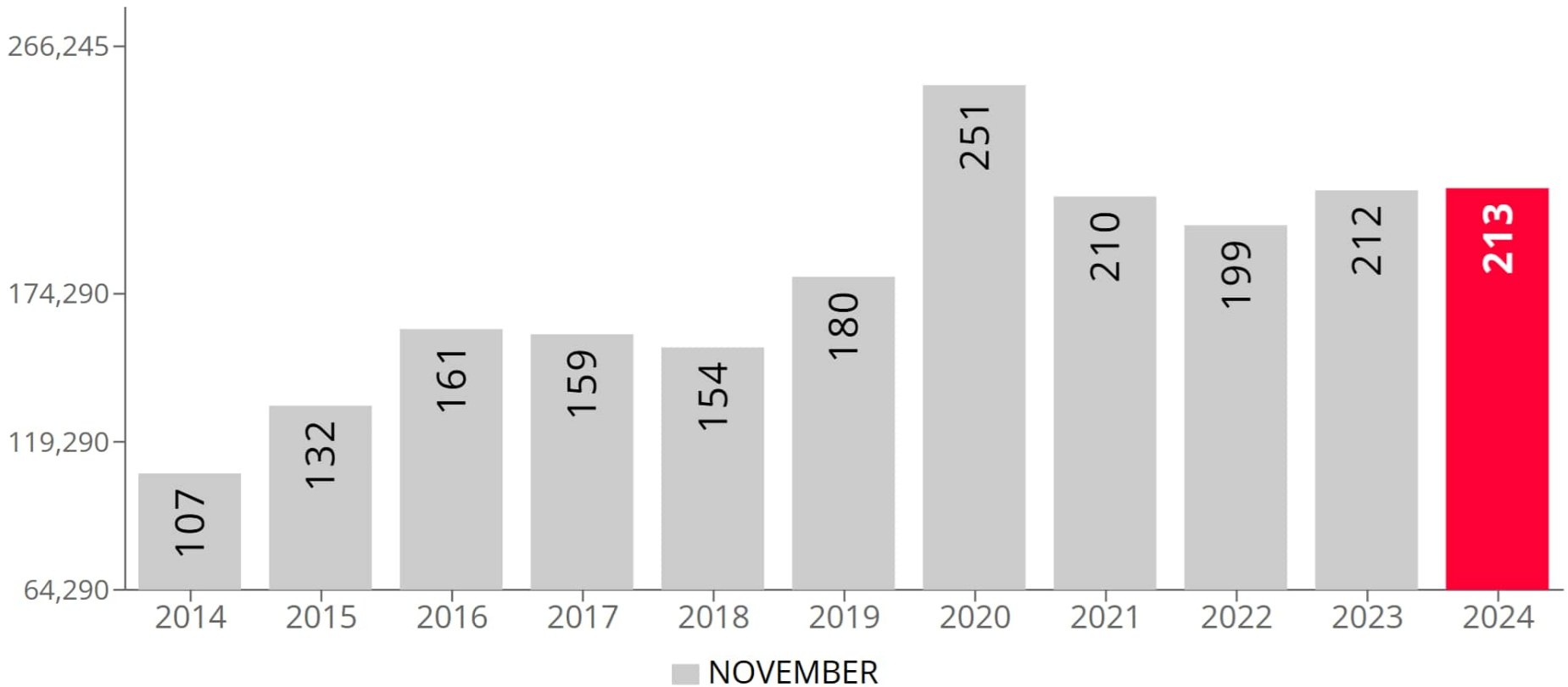
Bluetongue in Europe

- Virus spread by biting midges
- About 30 known variants
- Affects ruminants
- Milk loss 2 lb/day for 10 weeks



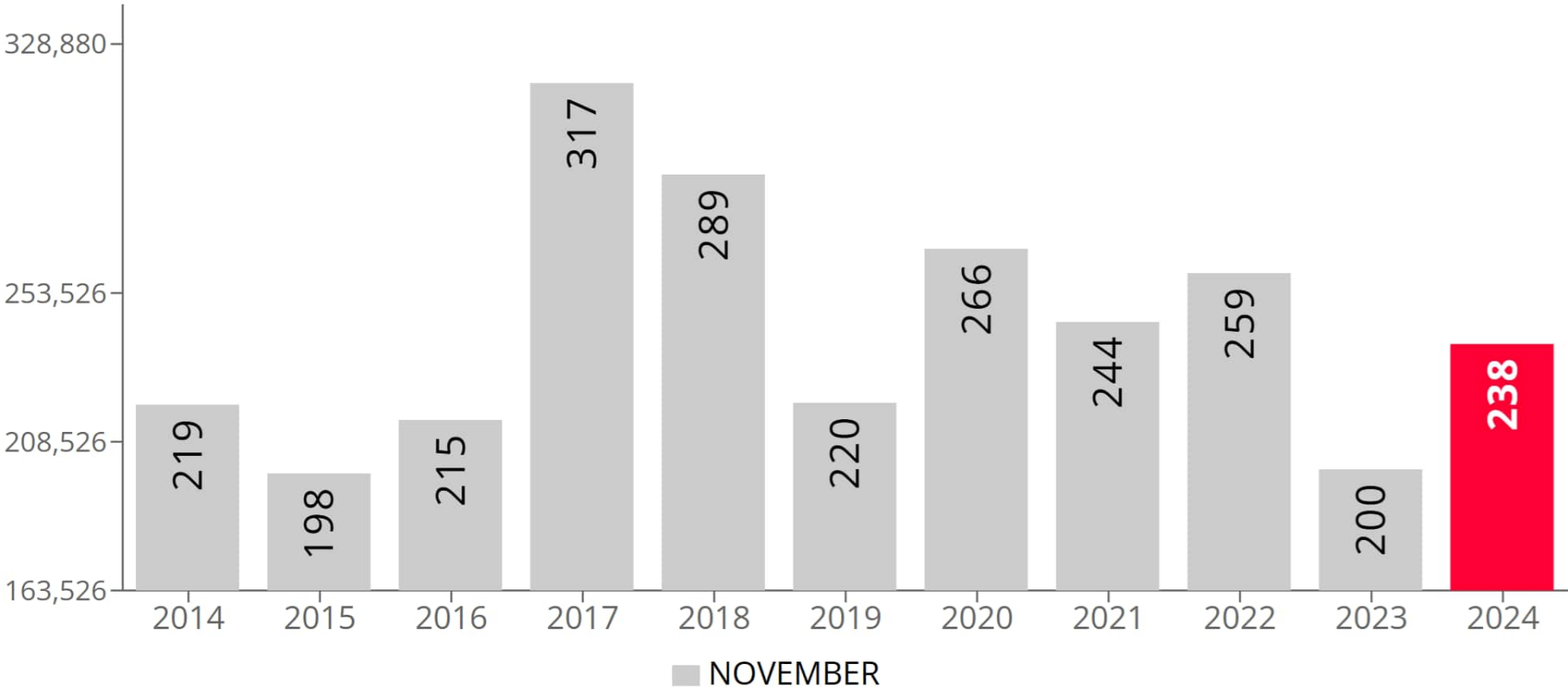
Butter Stocks

Butter, Stocks in All Warehouses - United States
Same Month, 10 Year Comparison

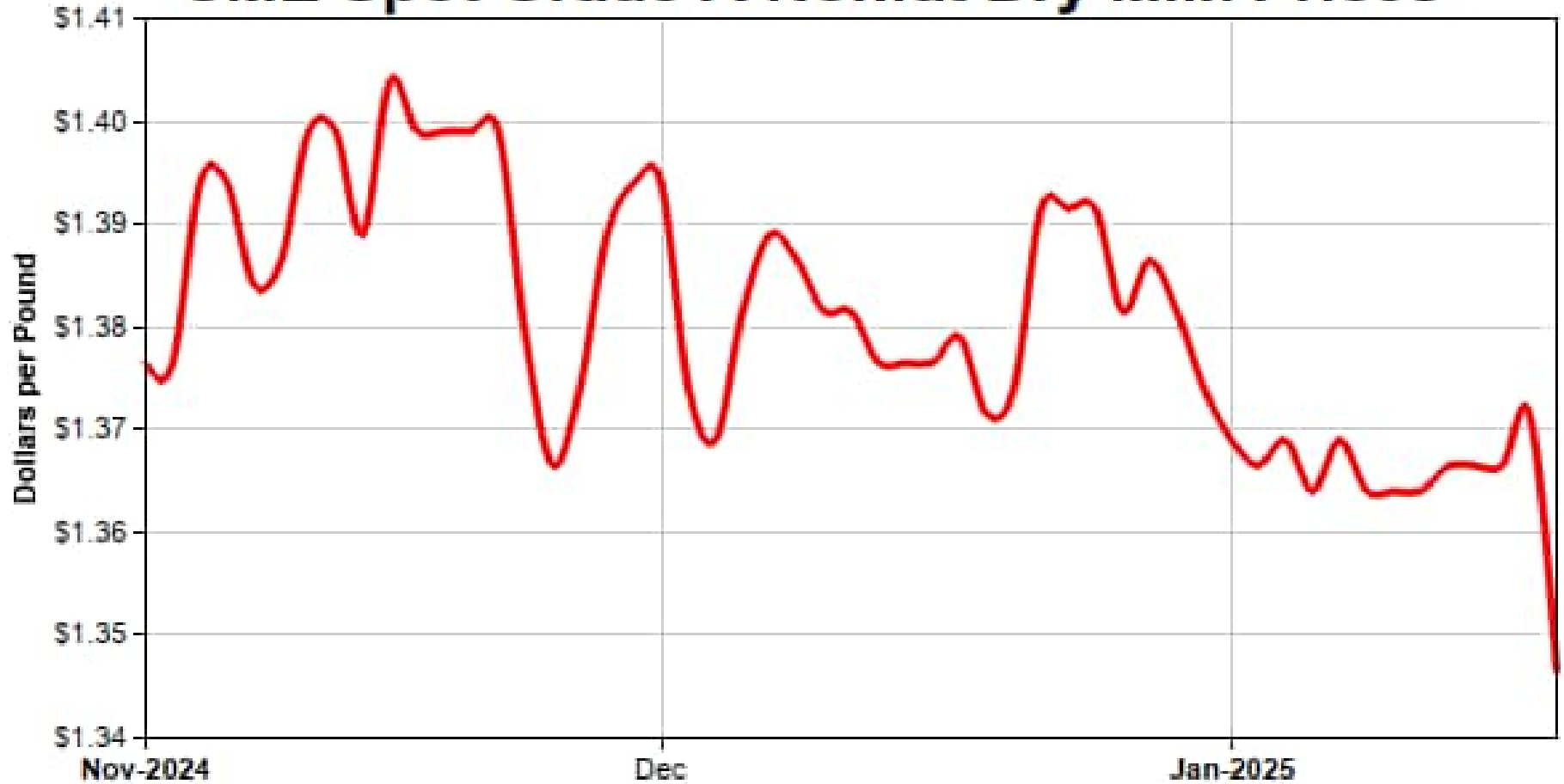


Nonfat Dry Milk, Human, Manufacturers' Stocks - United States

Same Month, 10 Year Comparison



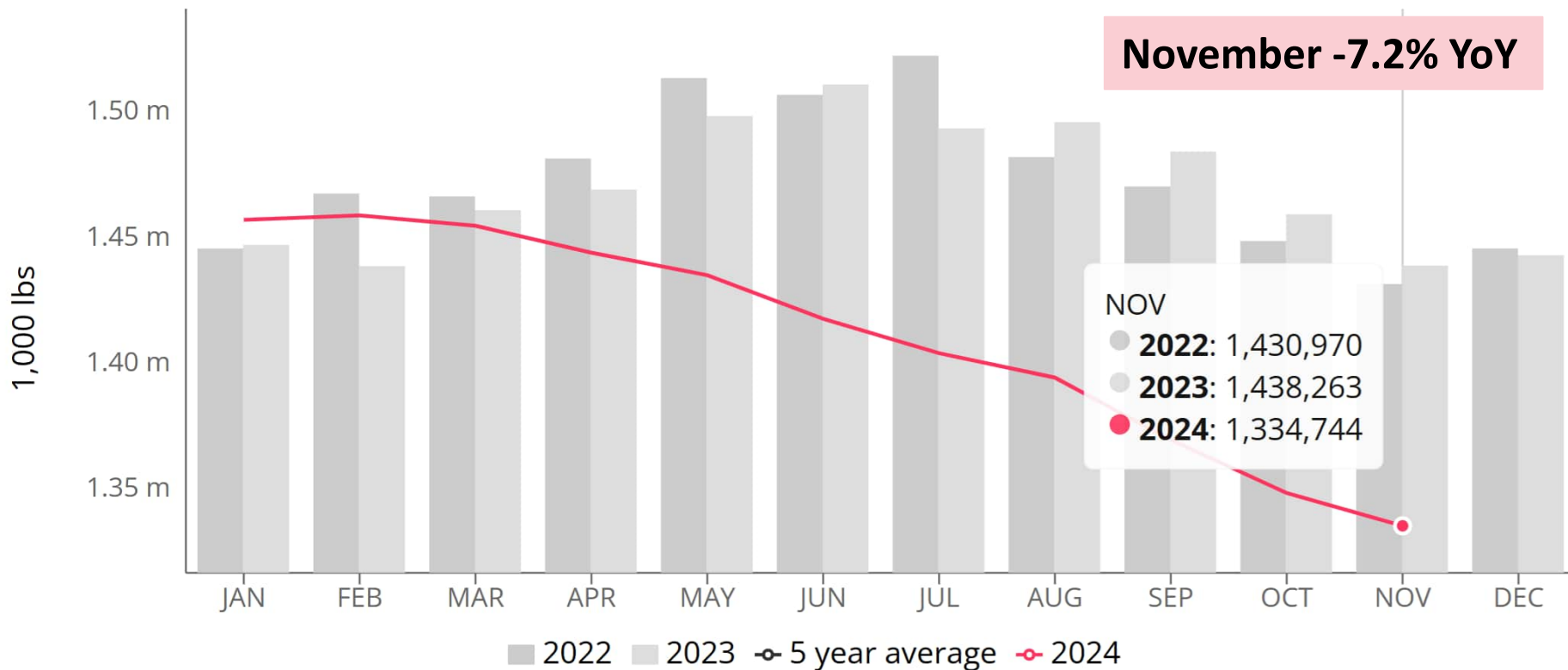
CME Spot Grade A Nonfat Dry Milk Prices



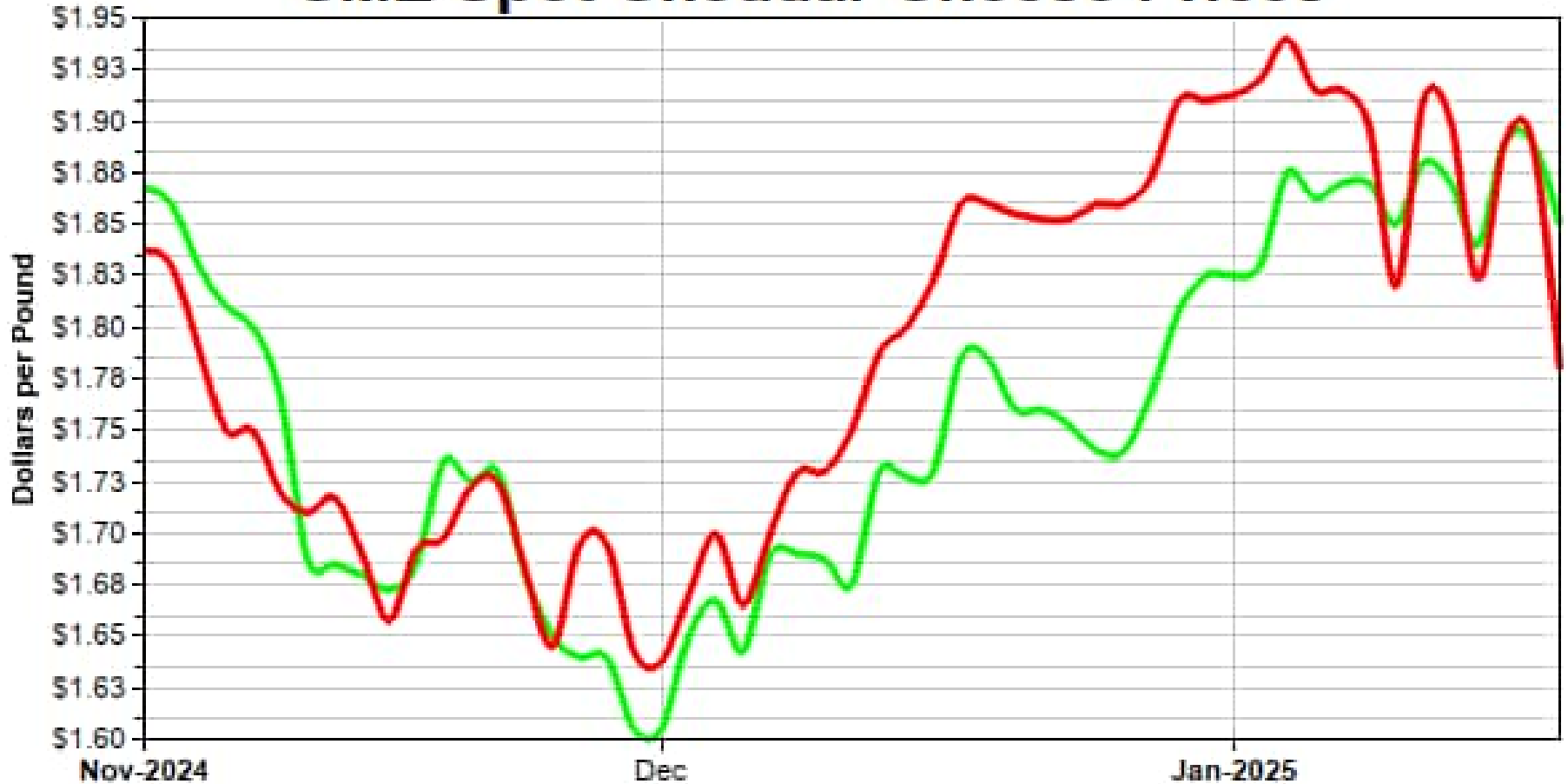
Updated 1/21/25

Natural Cheese Stocks

Total Natural Cheese, Stocks in All Warehouses - United States
Three Year Comparison



CME Spot Cheddar Cheese Prices



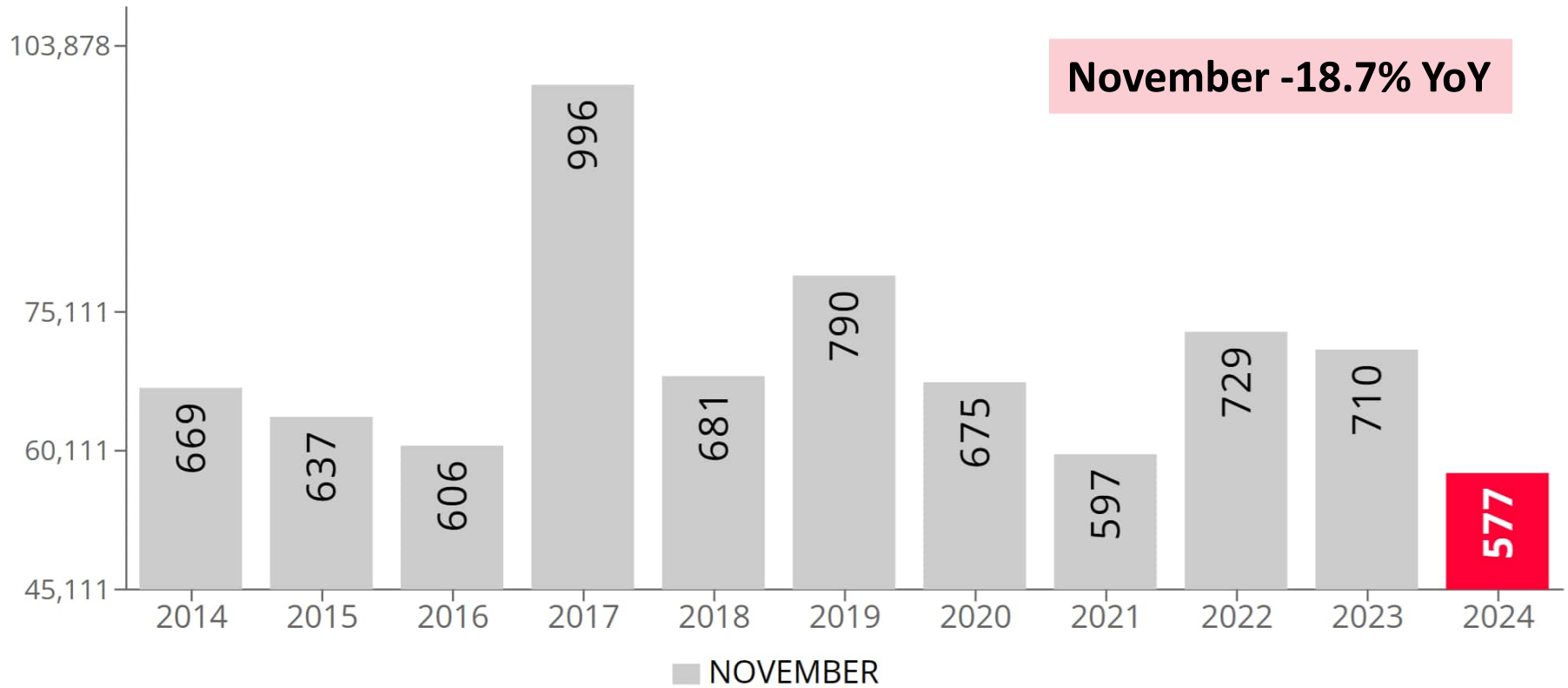
■ 40 lb Blocks

■ 500 lb Barrels

Updated 1/21/25

Dry Whey, Total, Manufacturers' Stocks - United States

Same Month, 10 Year Comparison



CME Spot Dry Whey Prices



Updated 1/21/25

Trump's Executive Orders Will Focus on the Border, Energy

President plans to call for review of U.S. trade relationship with China, trade deficits and unfair trade practices

By [Tarini Parti](#) [Follow](#), [Meridith McGraw](#) [Follow](#) and [Gavin Bade](#) [Follow](#)

Updated Jan. 20, 2025 12:57 pm ET

As Trump returns, the U.S. is set to toughen its line on China



BOB SAVIC READING TIME: 11 MIN

A torrent of executive orders and legislation sets the stage for escalating U.S.-China confrontations, but President Trump might opt for a different approach.

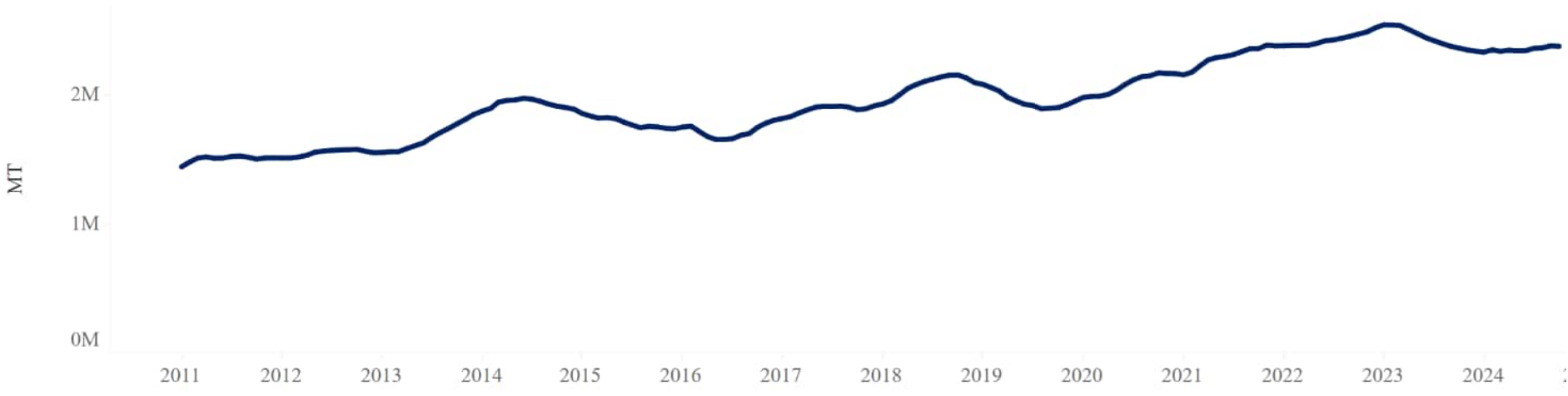
Trump's tariff plans could unravel USMCA agreements

While Trump's policies aim to bolster domestic manufacturing, the ripple effects of such tariffs could lead to unintended consequences.

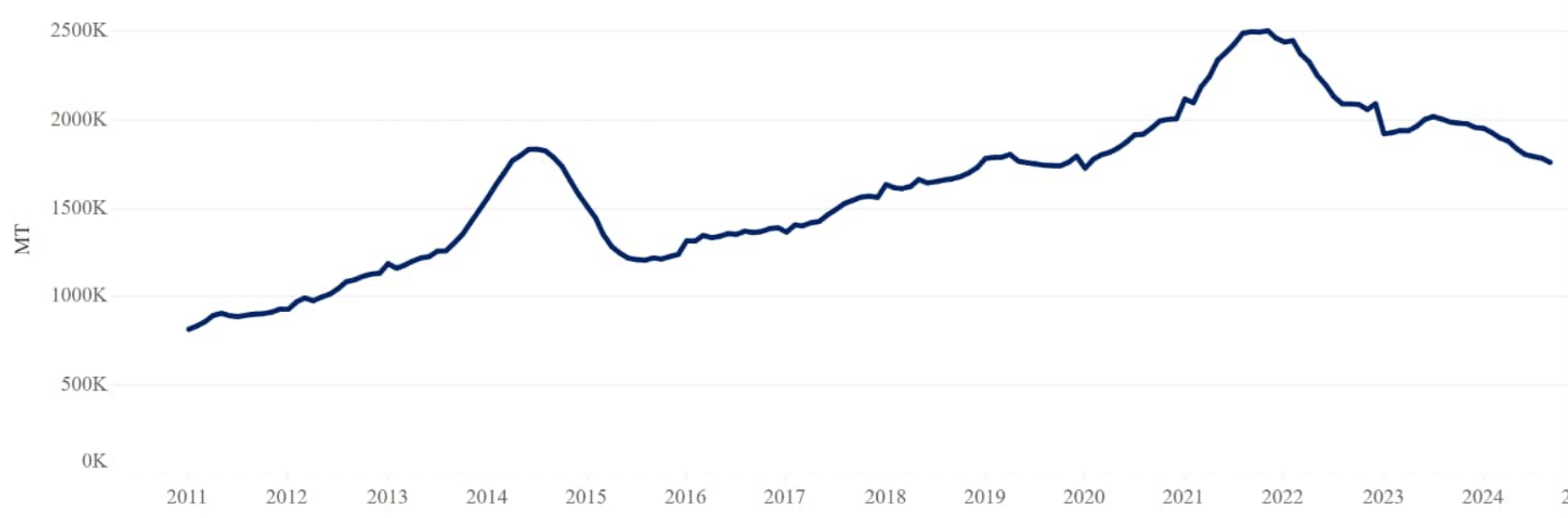
By [Jasmine Daniel](#)

January 20, 2025

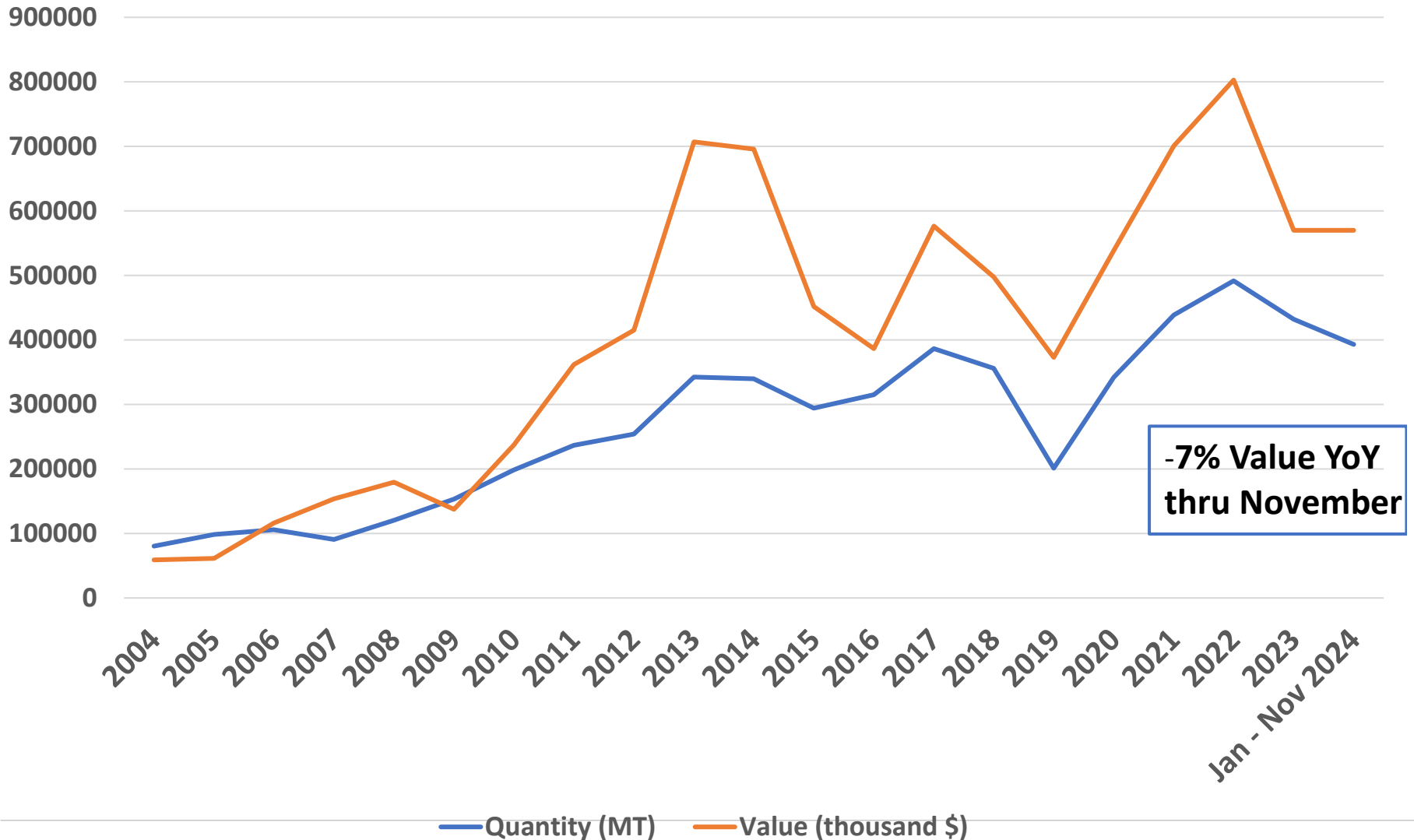
All Exports by Volume (Rolling 12-Month)



All Imports into China (Rolling 12-Month)

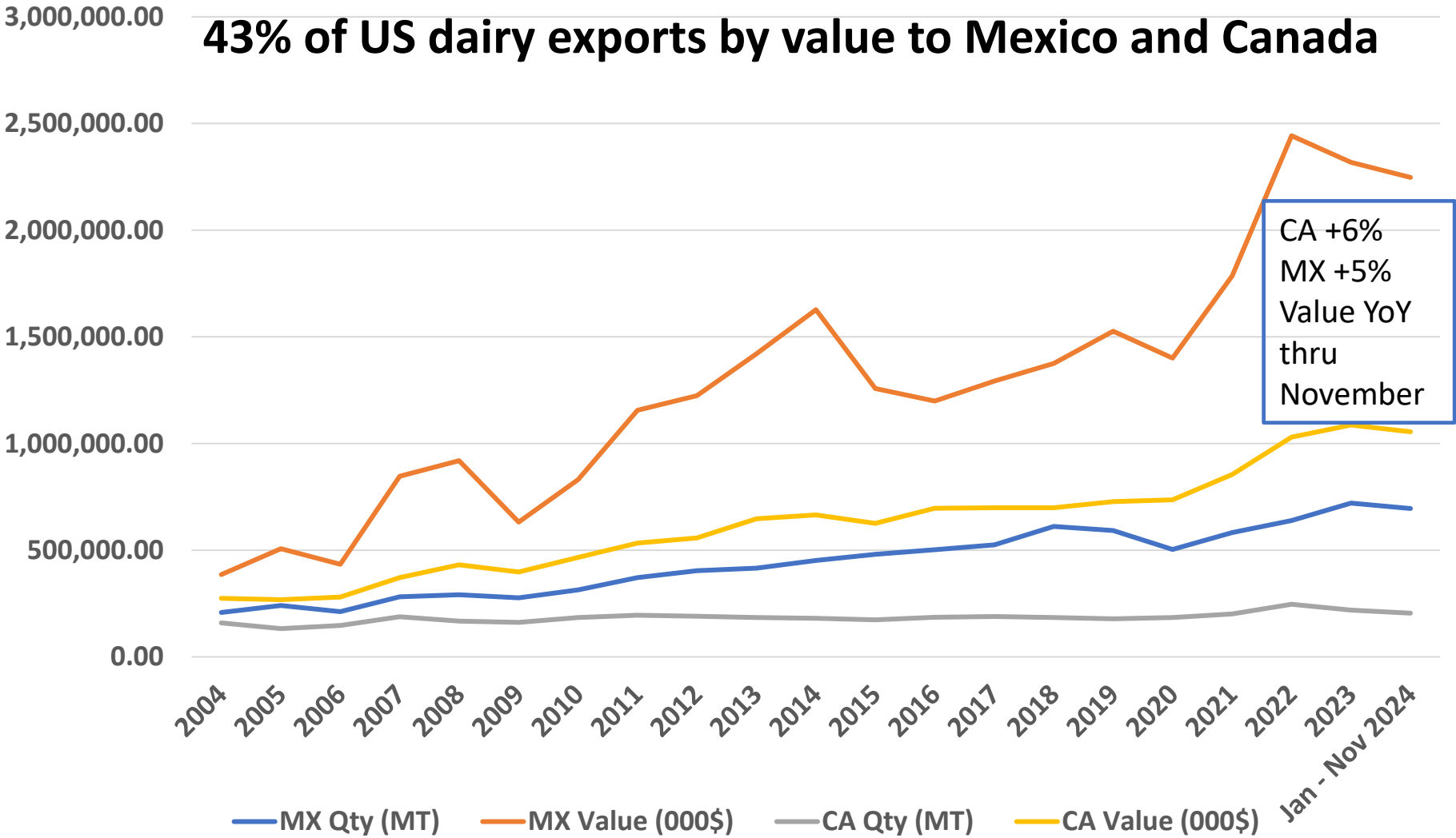


US Dairy Exports to China



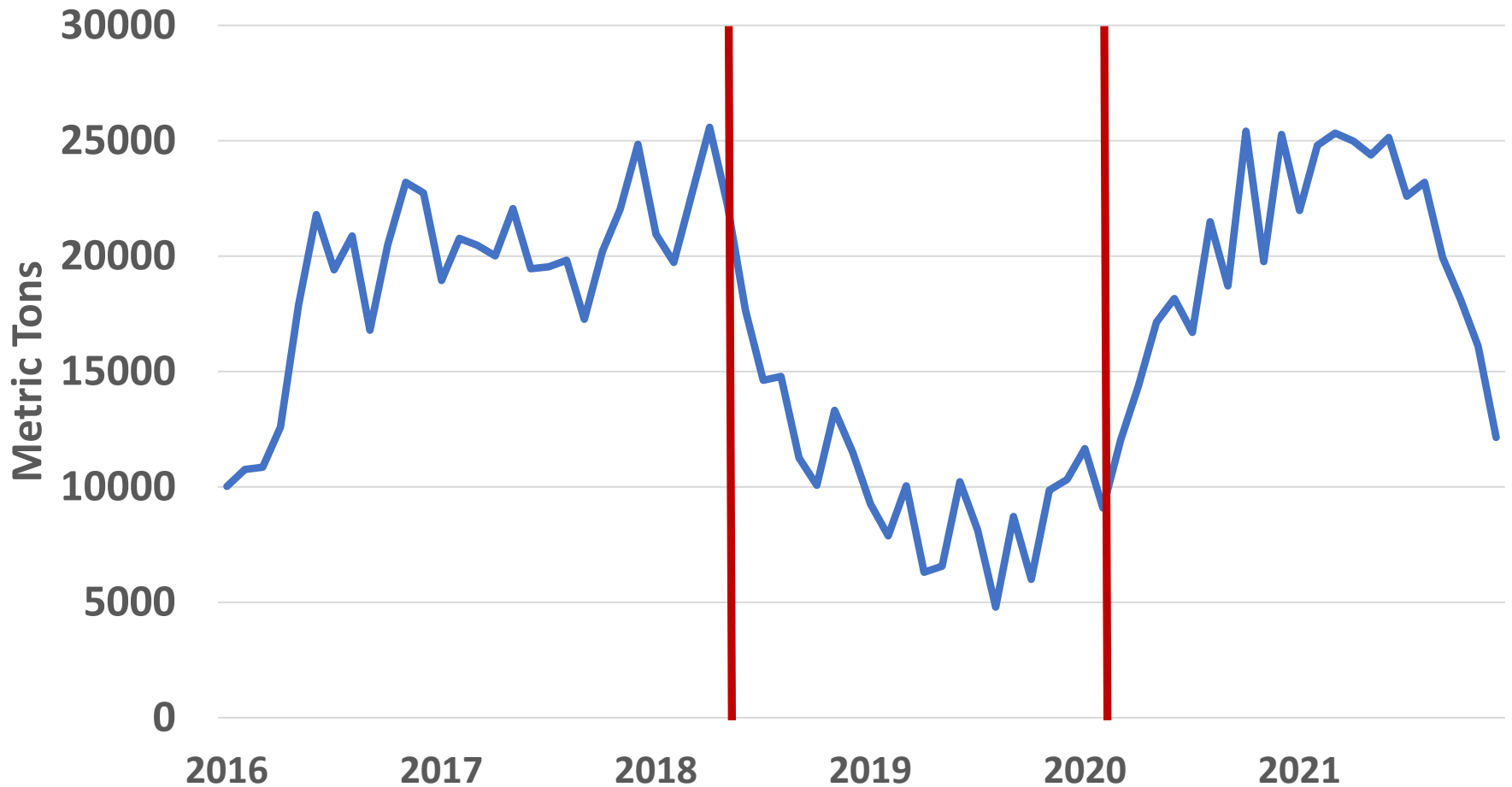
US Dairy Exports in North America

43% of US dairy exports by value to Mexico and Canada



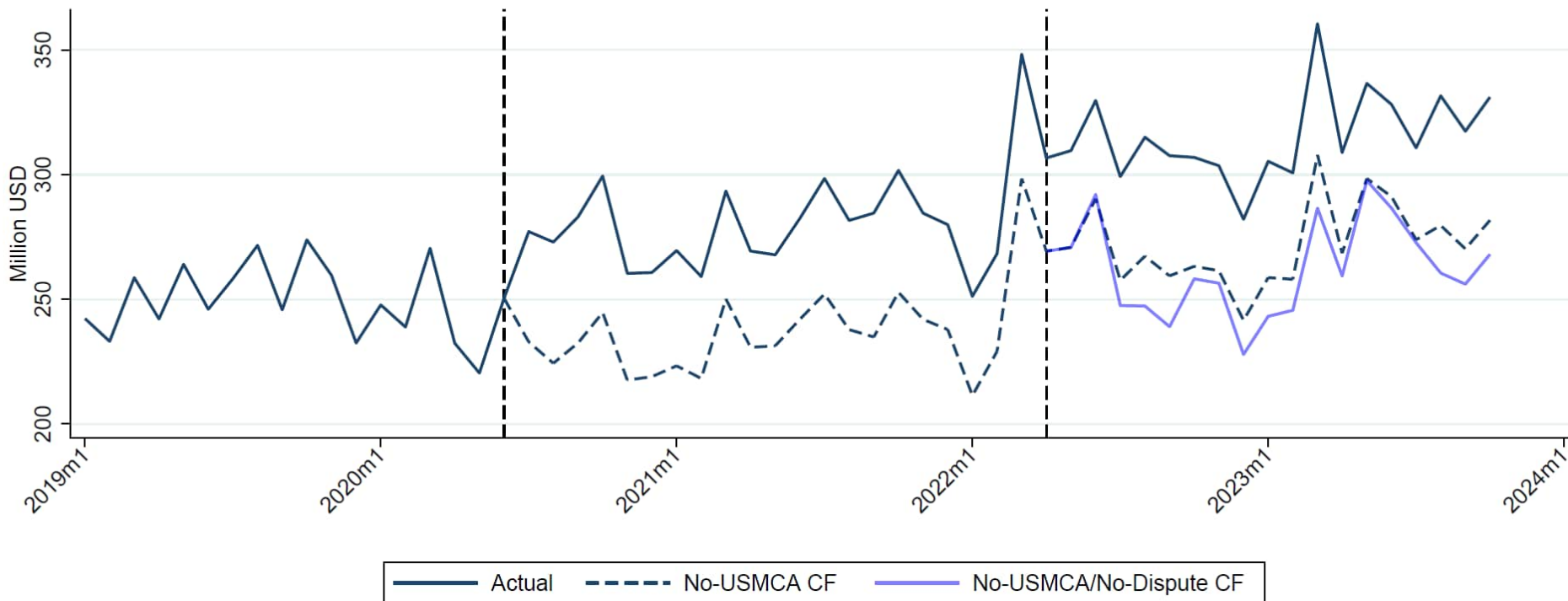
Tariffs and Trade Wars

Whey Exports to China

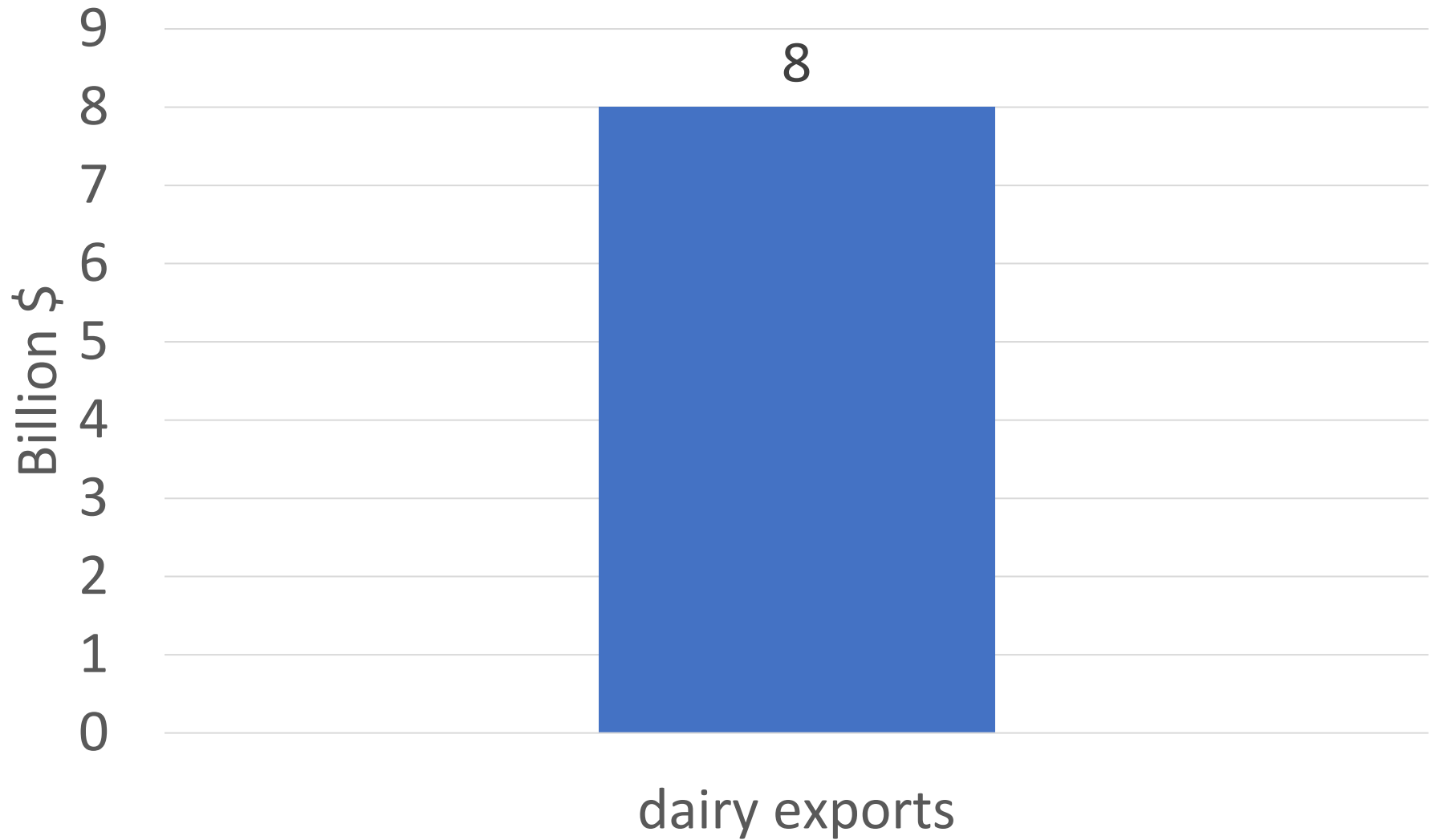


Impact of Canada TRQ Dispute

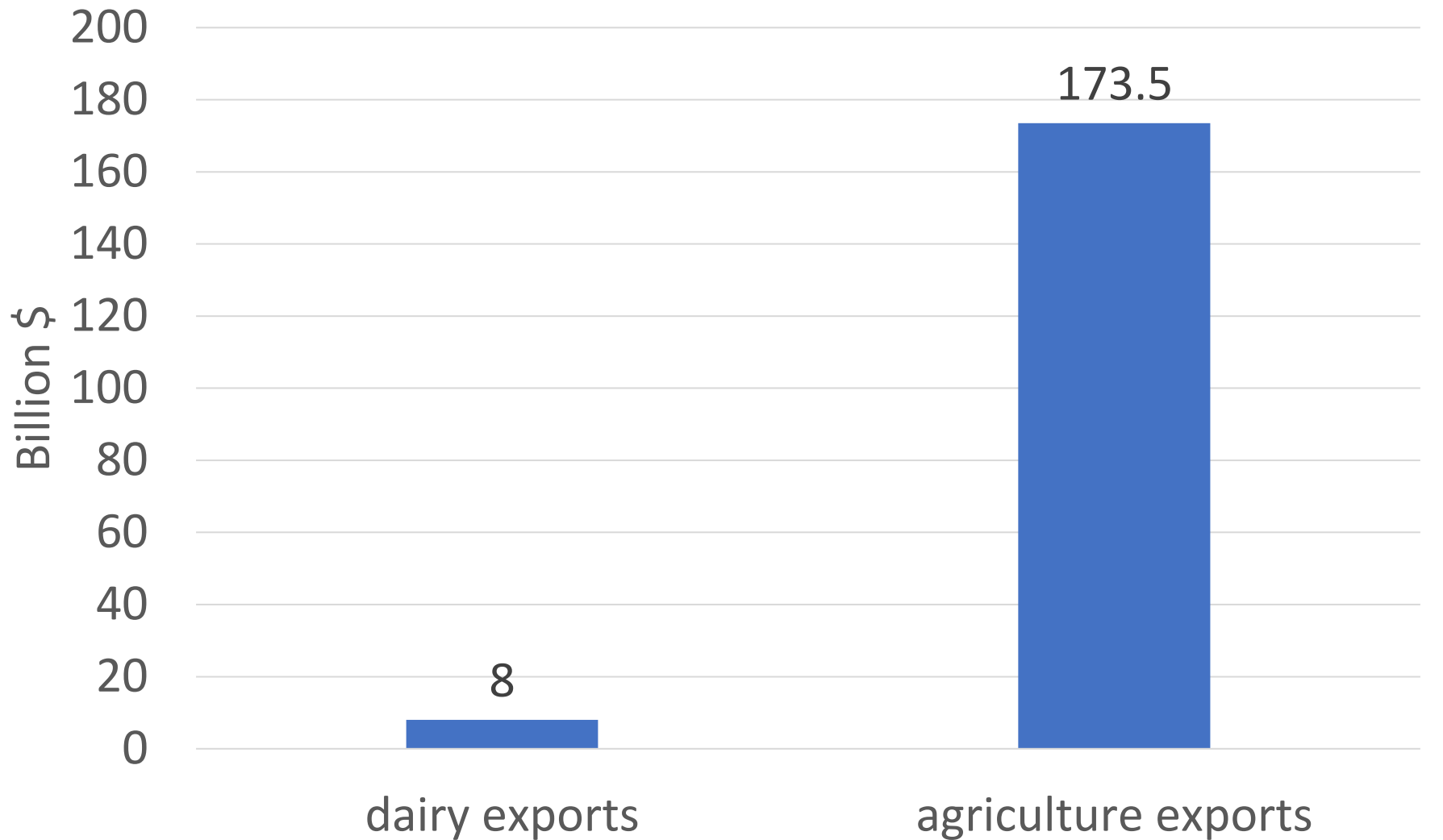
Figure 6: Estimated Impacts of Regime Change on Aggregate U.S.-Canada Dairy Trade



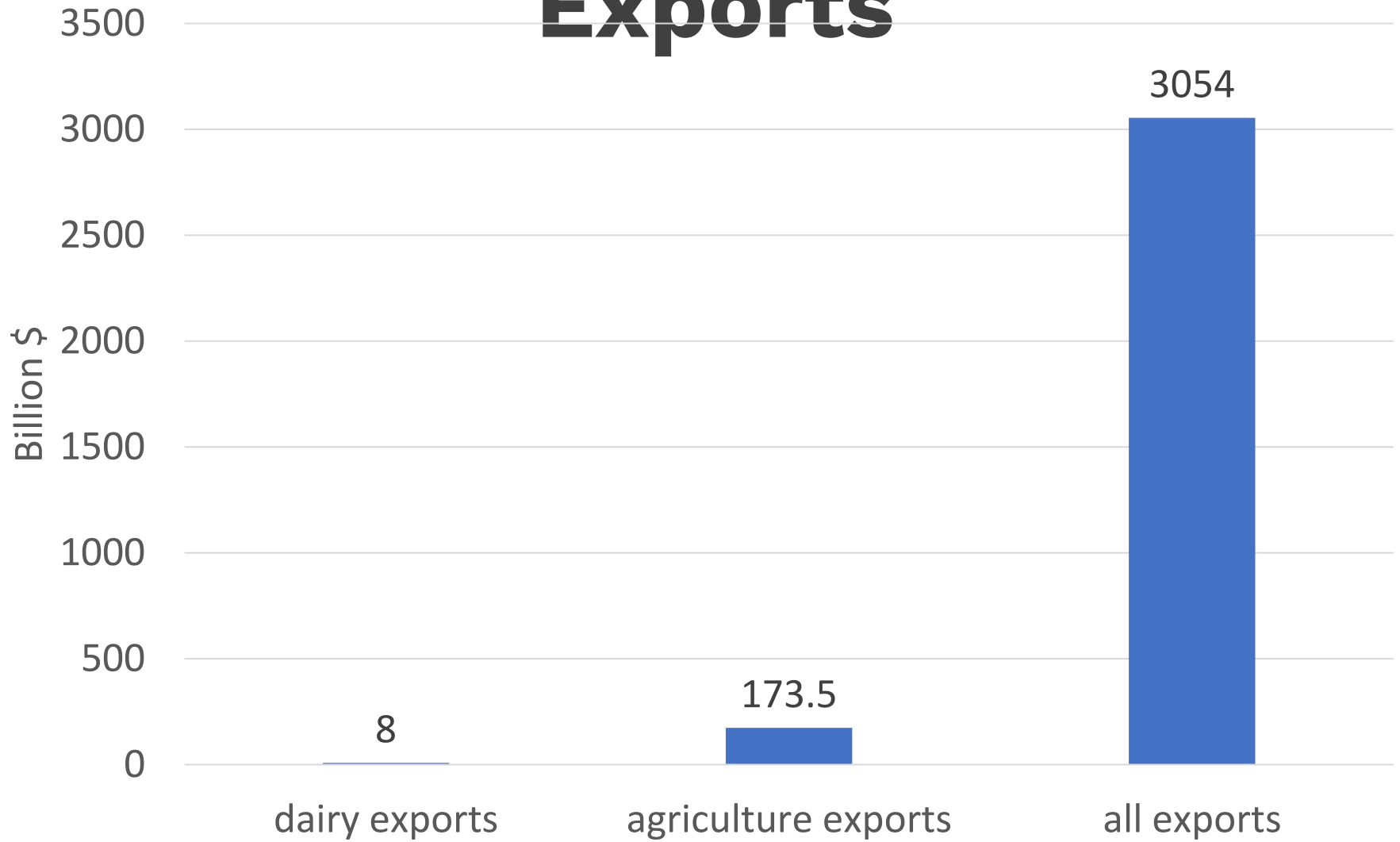
US Dairy Exports



US Dairy and Ag Exports

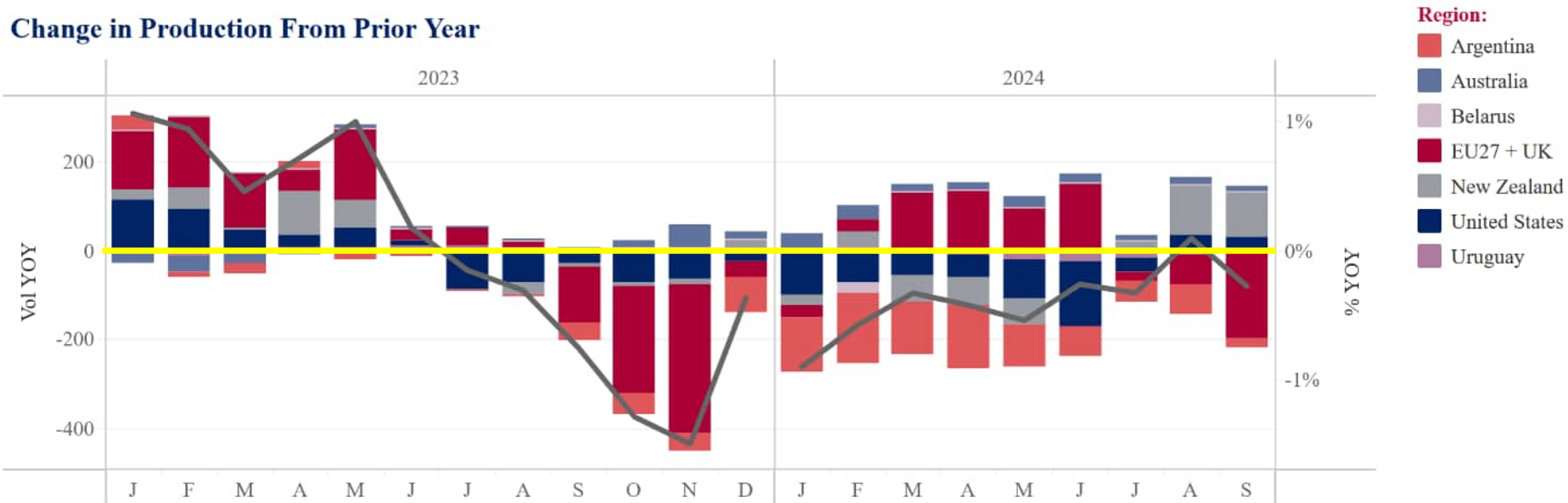


US Dairy, Ag and Total Exports



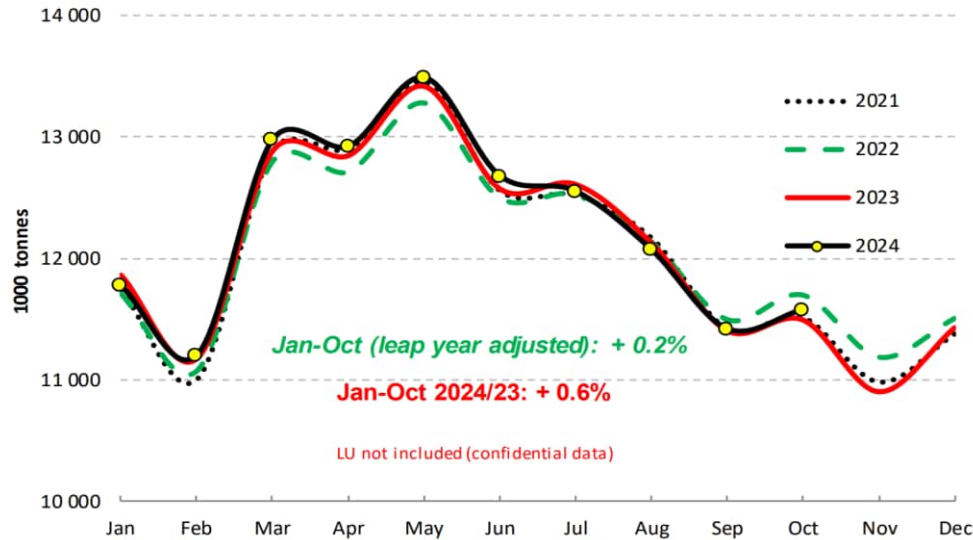
Major Exporter Milk Production

Change in Production From Prior Year



Source: USDA, Eurostat, Understanding Data & Markets

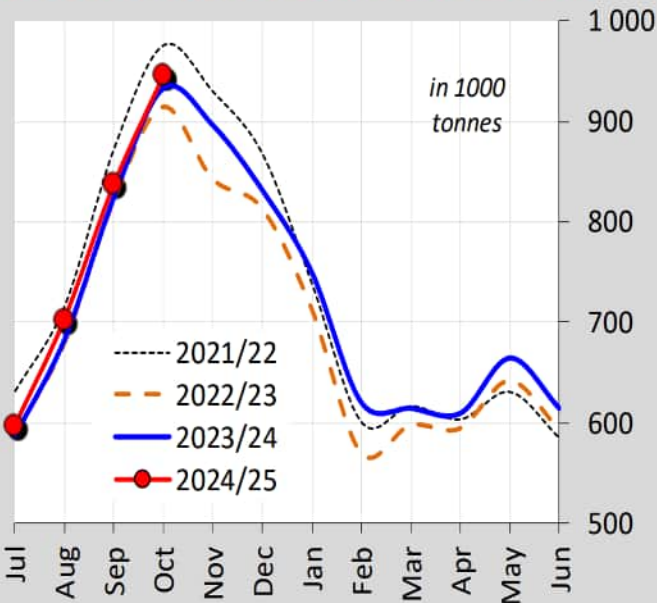
EU - Cows' milk collected



Source: Estat (Newcronos) - MS notifications - CLAL(IT)

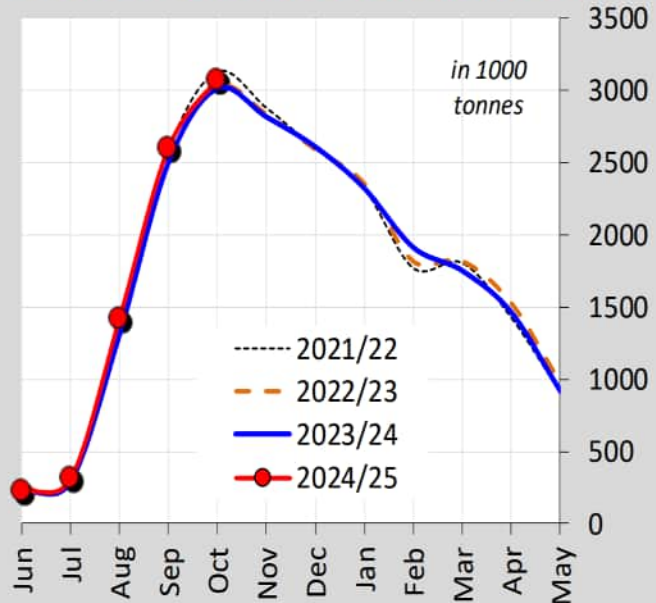
Australian milk production

Jul-Oct 2024/25 compared to 2023/24 : + 1.7%

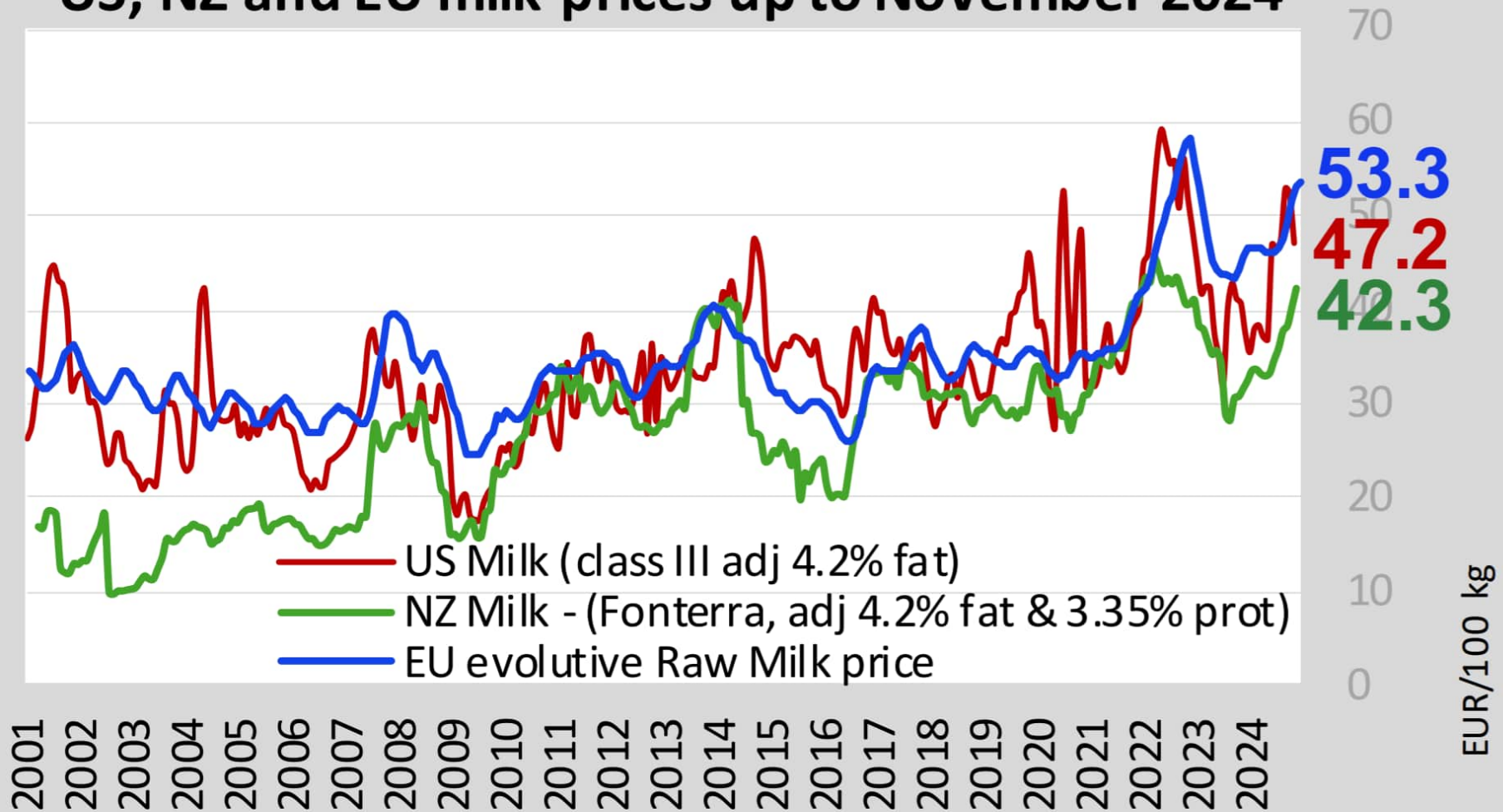


NZ milk production

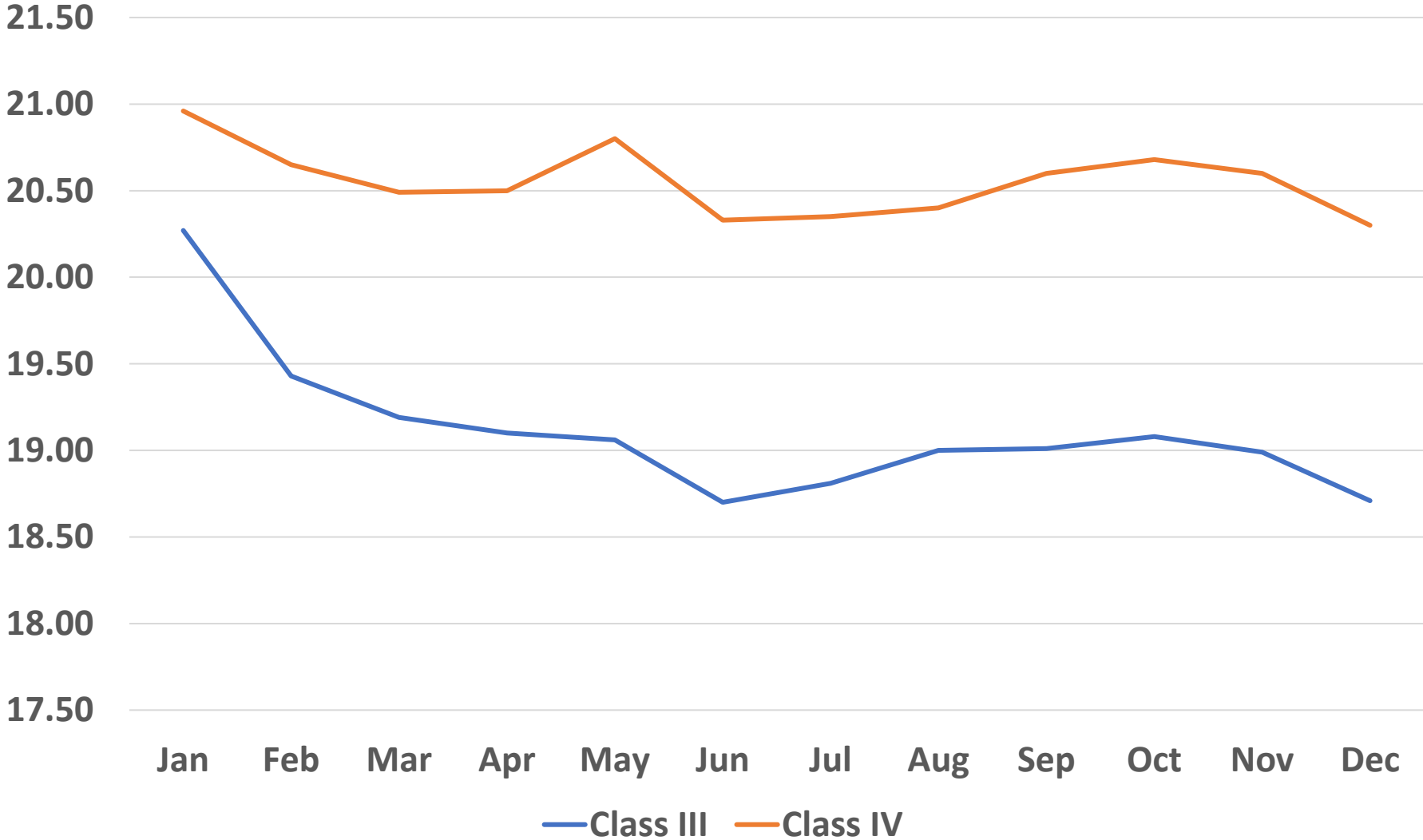
Jun-Oct 2024/25 compared to 2023/24 : + 4.1%



US, NZ and EU milk prices up to November 2024



Dairy Futures Jan 21, 2025



Corn Market Adjustment

MARKETS/ MARKET ANALYSIS

January 10, 2025

USDA Reports a Game Changer, as Corn and Soybean Yields are Slashed

USDA lowered corn yield a whopping 3.8 bu. and soybeans 1 bu. which led to lower production and ending stocks.

MICHELLE ROOK • January 10, 2025 01:16 PM

USDA shocked the market by lowering corn yield nearly 4 bu. per acre and production by 275 million bu. with dryness late season and at harvest.

With just a 25 million bu. drop in demand, the agency also cut ending stocks by nearly 200 million to 1.54 billion bu.

Corn Futures (Mar 2025) · 45 · CBOT ● D O474'0 H474'6 L473'6 C474'6 +0'6 (+0.16%)

Vol 8.74K



CME Group
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Forecast Prices

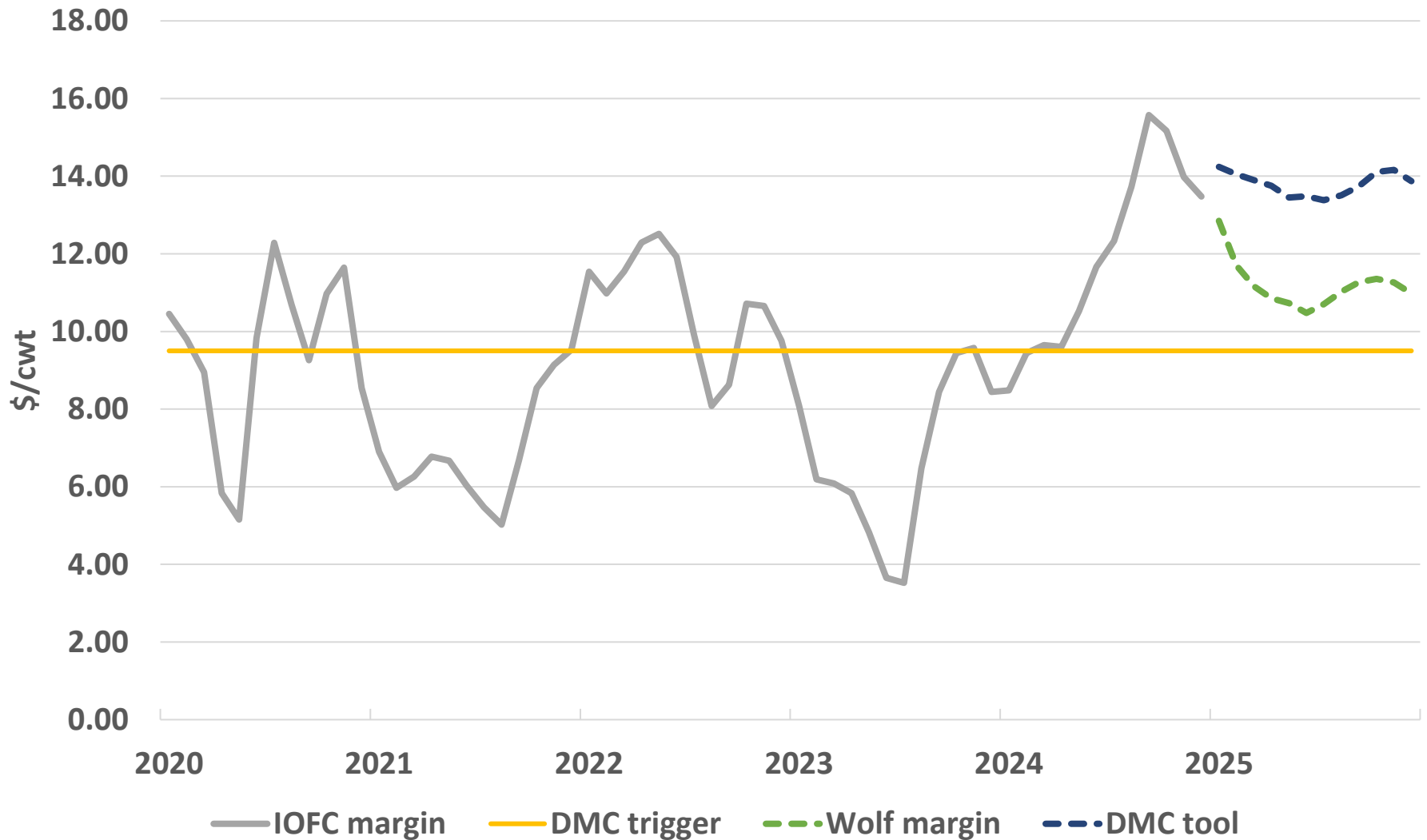
January 2024 WASDE and Jan 16 Futures

Commodity	2022/23	2023/24	2024/25F	'25 futures
Corn	\$6.54/bu	\$4.55/bu	\$4.25/bu	\$4.74/bu
Soybeans	\$14.20/bu	\$12.40/bu	\$10.20/bu	\$10.03/bu
Soybean meal	\$452/ton	\$384/ton	\$310/ton	\$306/ton
	2023	2024	2025F	2025F
All Milk	\$20.60/cwt	\$22.65/cwt	\$23.41/cwt	\$21.61/cwt
Class III	\$17.02/cwt	\$18.90/cwt	\$19.70/cwt	\$19.11/cwt
Class IV	\$19.12/cwt	\$20.75/cwt	\$20.80/cwt	\$20.55/cwt

DMC Forecast

MONTH	ALL MILK PRICE FORECAST (\$/CWT)	CORN PRICE FORECAST (\$/BU)	PREMIUM/SUPREME ALFALFA HAY PRICE FORECAST (\$/TON)	SOYBEAN MEAL PRICE FORECAST (\$/TON)	FEED COST FORECAST (\$/CWT)	DMC MARGIN FORECAST (\$/CWT)
Jan	\$23.79	\$4.03	\$219	\$303.41	\$9.55	\$14.24
Feb	\$23.65	\$4.06	\$223	\$298.13	\$9.60	\$14.05
Mar	\$23.38	\$4.08	\$212	\$299.10	\$9.48	\$13.90
Apr	\$23.20	\$4.11	\$206	\$301.03	\$9.45	\$13.75
May	\$22.99	\$4.13	\$210	\$303.73	\$9.54	\$13.45
Jun	\$23.05	\$4.15	\$209	\$306.42	\$9.57	\$13.48
Jul	\$22.98	\$4.16	\$210	\$308.61	\$9.60	\$13.38
Aug	\$23.15	\$4.15	\$212	\$310.04	\$9.64	\$13.51
Sep	\$23.37	\$4.12	\$213	\$310.60	\$9.63	\$13.74
Oct	\$23.75	\$4.11	\$215	\$310.59	\$9.64	\$14.11
Nov	\$23.95	\$4.10	\$226	\$311.60	\$9.79	\$14.16
Dec	\$23.64	\$4.10	\$224	\$313.38	\$9.77	\$13.87
2025	\$23.41	\$4.11	\$214.98	\$306.39	\$9.60	\$13.80

DMC Margin Forecasts



Thank You

Chris Wolf

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RISK MANAGEMENT &
PLANNING FOR 2025



FARM CREDIT EAST



DAIRY RISK MANAGEMENT

- Strategies to protect against market volatility, price fluctuations and input costs
- Milk Protection Price Tools:
 - Dairy Margin Coverage (DMC)
 - Dairy Revenue Protection (DRP)
 - Livestock Gross Margin-Dairy (LGM-Dairy)
 - Forward contracts



FARM CREDIT EAST

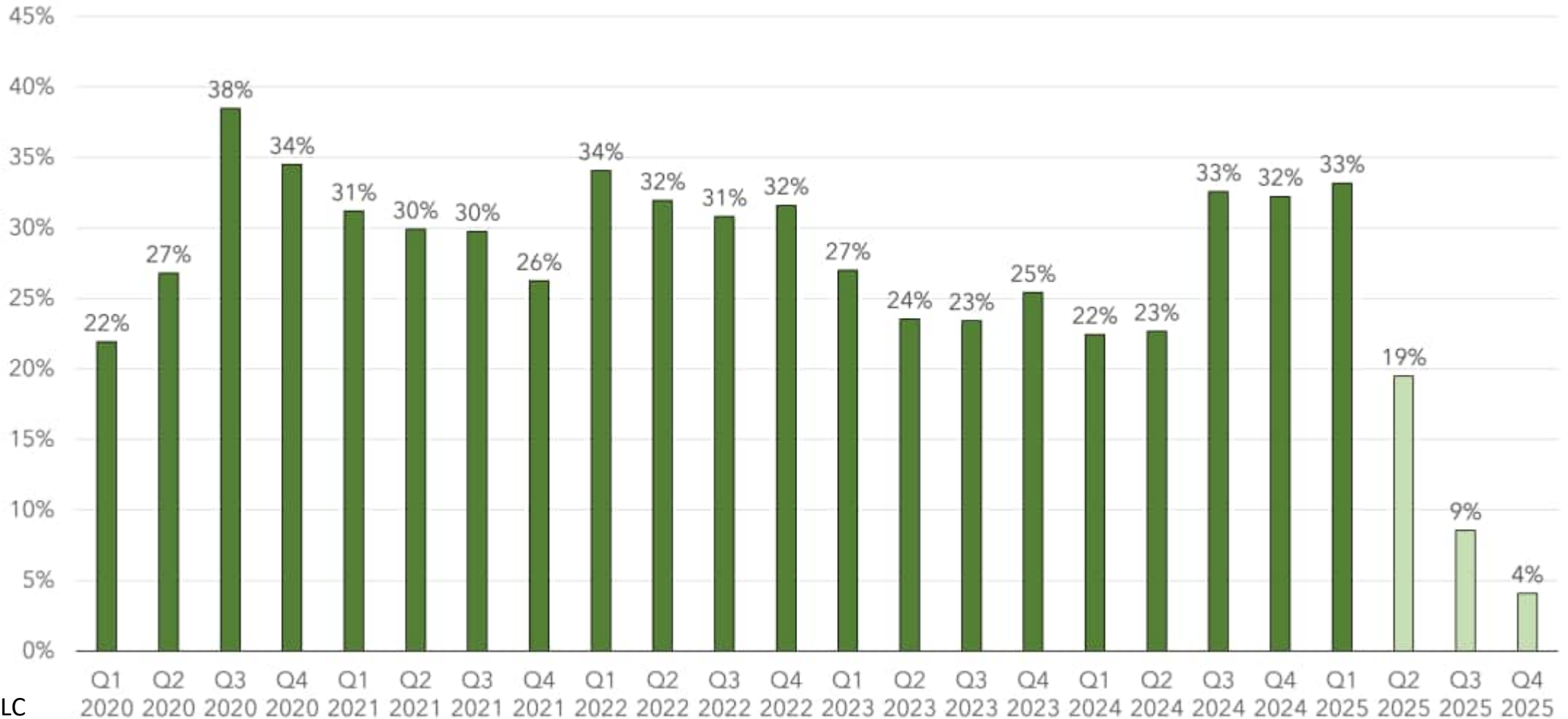
DAIRY REVENUE PROTECTION (DRP)

- Protects against revenue declines
- Customizable protection



DAIRY REVENUE PROTECTION COVERAGE

United States DRP Effective Pounds Covered Pct of Milk Production As Of 01/10/2025





BUILDING RISK MANAGEMENT RESILIENCE

- Stabilizes income in times of uncertainty
- Supports diversification strategies
- Adapts to evolving trade policies
- Encourages proactive financial planning
- Strengthen farm business resilience



FARM CREDIT EAST



PLANNING FOR 2025

- Understand Dairy Risk Management
- Assess Your Risks
- Develop Mitigation Strategies
- Implement and Budget
- Update Your Business Plan
- Monitor and Review



IMPORTANT DATES

- Dairy Margin Coverage
 - Deadline: March 31st
- Dairy Revenue Protection
 - Sign up period: Now
 - Transfer to Crop Growers deadline: June 30th
- Spring Crop Insurance
 - Deadline: March 15th



FARM CREDIT EAST

STAYED INFORMED: DAIRY MARKET INSIGHTS



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ACTION PLAN

- Review current risk management strategies
- Assess what % of your milk is unpriced
- Evaluate risks and adjust gaps
- Consult with dairy profit team of advisors



CONTACT US

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Dairy & Livestock Insurance Products

The dairy and livestock industry is complicated – prices are impacted daily by U.S. and world markets. Farmers have multiple risk management options that interact with other federal programs. The choices can seem overwhelming.

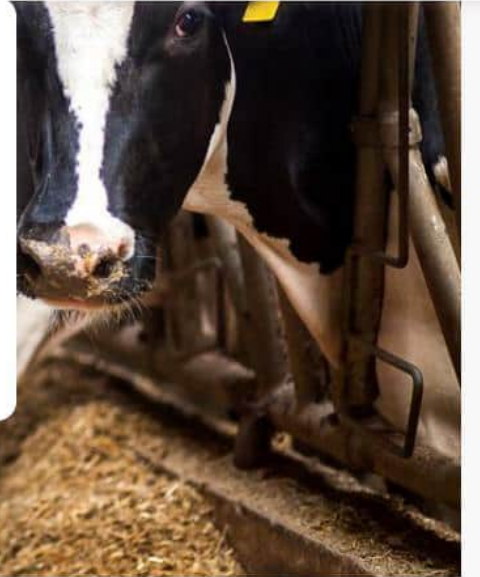
Our industry experts can help you navigate these hurdles and tailor a policy that fits your Northeast operation.

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