



CENTER FOR
DairyEXCELLENCE
Dairy Week In Review



Dated January 22, 2025

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Jan)	\$20.27/cwt.	—	▲ 8.6 %	▲ 33.5 %
Class IV Milk Price (Jan)	\$20.87/cwt.	▼ 0.5 %	▲ 0.6 %	▲ 8.4 %
Corn (Mar)	\$ 4.90/bushel	▲ 3.4 %	▲ 9.9 %	▲ 8.4 %
SBean Meal (Mar)	\$ 311.0/ton	▲ 4.2 %	▲ 5.6 %	▼ 14.4 %
DMC Margin (Nov)*	\$ 14.29/cwt.	—	▼ 5.8 %	▲ 49.2 %

**Each issue of "Dairy Week in Review" will report on the most recent Milk Margin published through USDA's Dairy Margin Coverage Program. This margin is published each month after the USDA Ag Prices Report is released.*

Markets:

- Updated on Jan. 21, 2025, the Dairy Margin Coverage (DMC) Decision Tool showed the projected 2025 all-milk prices are trending higher than 2024's prices. Starting out strongly in January at \$23.75 per cwt., the prices are forecasted to fall through July to \$22.84. The all-milk price forecasts increase in November to \$23.90, then dip slightly into December at \$23.64 per cwt. 2025's forecasted average all-milk price sits at \$23.24 per cwt, 65 cents up from 2024's projected average of \$22.59.
- For 2024, the projected average feed costs sits at \$10.58 per cwt for now, as opposed to 2025's forecasted average of \$9.60. 2024 soybean meal (SBM), alfalfa hay, and corn average prices came in at \$354.24 per ton, \$249.56 per ton, and \$4.25 per bu., respectively. Looking ahead to 2025, forecasted averages are down across the board with SBM at \$306.39, alfalfa hay at \$214.98, and corn at \$4.11.
- January 2025's forecasted margin is \$14.20 per hundredweight (cwt), and trends downward through May to \$13.22. The margin projections recover slightly into June, then climb to \$14.11 in November. Currently, the forecasted average margin for 2025 stands at \$13.63, up from 2024's projected average of \$12.01. With current forecasts indicating increasing milk prices and decreasing feed costs on the horizon for 2025, predicted margins are well above the \$9.50 per cwt trigger, which could mean no indemnities. However, with milk and feed market volatilities, DMC is an affordable risk management option for most dairy operations to better safeguard their profits.

Government/Industry:

- Milk prices could see a boost come June 2025, as U.S. dairy farmers ratified changes to all Federal Milk Marketing Orders. Dairy producers will see the Class I mover shifting to the "higher-of" formula, make allowance improvements, eliminating barrels from the Class III calculation, and component level increases. While this could result in higher milk prices, these changes most likely will not significantly impact commodity prices.
- The 2025 Dairy Margin Coverage (DMC) enrollment period will run from Jan. 29 to Mar. 31, 2025. Dairy farmers can visit their local Farm Service Agency (FSA) office or go online to check out the DMC Decision Tool to see 2025 margin and price forecasts. This will include catastrophic coverage, as well as higher coverage levels, for a yearly premium. Utilizing DMC can help farmers protect themselves from milk market and feed cost volatility and can be an important tool in their risk management strategy. To sign up or learn more about DMC, contact your local FSA Office.
- The USDA's Animal & Plant Health Services (APHIS) recently announced that they have enrolled AR, LA, NE, NH, NC, and WV, in their National Milk Testing Strategy (NMTS). With those additional states, 36 states total are testing in accordance with the NMTS standards.
- The Center hosted our first "Protecting Your Profits" webinar of the new year titled, "2025 Dairy Market Outlook, Trends, and Opportunities Ahead," on Jan. 17 with guest speakers Kathleen Wolfley and Colin Kadis from Ever.Ag. Wolfley and Kadis covered 2025 U.S. and global milk supply expectations, new cheese capacity, the importance of exports, and projected domestic demand. They also gave pointers on how to effectively manage risk in this ever-shifting market. If you weren't able to watch it live, you can watch the recording at www.centerfordairyexcellence.org/ppp/.
- The Penn State Extension Dairy Team will be hosting several workshops across PA on Jan. 27 & 30 to help dairy farmers create a biosecurity plan to meet PDA guidelines. At these no-cost, open-house style workshops, dairy farmers will get one-on-one help from dairy educators on creating a biosecurity plan to help protect their herds and people. For more information or to register for a workshop, reach out to your local extension office.
- Jointly hosted by the Center and the Professional Dairy Managers of PA, the 2025 PA Dairy Summit will be held in State College, PA from Feb. 5-6. This year's theme is "Designing Your Tomorrow Today," where engaging and informative keynote and breakout sessions will encourage attendees to start making decisions today with their career's or farm's future in mind. Dairy farmers and industry professionals will have the opportunity to strengthen their skills, as well as network with one another. To learn more and register, visit www.centerfordairyexcellence.org/events.