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Dairy EXCELLENCE
Dairy Week In Review



Dated June 5, 2024

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (June)	\$19.85/cwt.	▲ 7.0 %	▲ 27.9 %	▲ 30.2 %
Class IV Milk Price (June)	\$21.34/cwt.	▲ 3.7 %	▲ 5.8 %	▲ 17.8 %
Corn (July)	\$ 4.42/bushel	▼ 4.4 %	▲ 0.6 %	▼ 27.8 %
SBean Meal (July)	\$ 355.1/ton	▼ 5.8 %	▼ 2.5 %	▼ 10.5 %
DMC Margin (April)*	\$ 9.60/cwt.	—	▼ 0.6 %	▲ 98.8 %

**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.*

- USDA announced the May Class III milk price at \$18.55 per hundred-weight, up \$3.50 from April and \$2.24 above a year ago levels. The Class IV price was announced at \$20.50 per cwt., up 39 cents from last month and \$2.40 above year ago levels. Class III milk prices rebounded this past week, with June through December price forecasts on the CME now averaging \$20.32 for the remainder of the year. That's up more than \$1 from where they were last month at this time and much stronger than earlier this spring. Class IV milk price futures have also strengthened over the past week, with the Class IV price forecast for the remainder of the year now averaging \$22.07 per cwt., as of June 5.
- USDA posted its April margin through the Dairy Margin Coverage Program earlier this week. The margin for last month was \$9.60 per hundredweight, down 5 cents from March but \$3.76 above a year ago levels. The margin was 10 cents above \$9.50, the maximum threshold for coverage, so the program did not trigger an indemnity payment this month. From March to April, the all-milk price dropped 20 cents per cwt from \$20.70 to \$20.50, while feed costs dropped 15 cents from \$11.05 to \$10.90. There was a slight increase in the corn cost from \$4.36 per bushel to \$4.39 or \$156.79 per ton. Alfalfa cost continues to decrease from March's \$271.00 per ton to \$260.00, and soybean meal cost also fell from \$362.17 per ton to \$357.68. Both reached multi-year lows again with alfalfa and soybean meal being at their lowest since Dec. 2021 at \$253.00 per ton and October 2021 at \$325.43, respectively.
- Margins continue to improve and remain above the \$9.50 level for the remainder of the year. With the recent DMC predictions, the margin is projected to continuously climb to reach \$13.10 per cwt. in October. If what is forecasted happens, October would become the highest margin to date for the program. All-milk price projections climb to \$23.79 per cwt. in November, then dip slightly to \$23.43 in December. As feed costs forecasts fluctuate throughout the rest of the year, they are projected to remain under the \$11.00 per cwt. mark and reach a low of \$10.47 in June before gradually increasing to \$10.82 in December. Based on current projections, the remainder of the program year forecasts an average of \$12.37 per cwt. margin with an average all-milk price of \$20.11 per cwt.

Don't miss next week's Dairy and HPAI Call on Wednesday, June 12, at 1 p.m. to get the latest updates. To join the call, dial 301-715-8592. Use 813-6659-8116 as the Meeting ID and 162069 as the Passcode.