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Dairy EXCELLENCE
Dairy Week In Review



Dated July 2, 2024

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (June)	\$19.90/cwt.	▲ 0.1 %	▲ 0.2 %	▲ 42.0 %
Class IV Milk Price (June)	\$21.15/cwt.	—	▼ 0.9 %	▲ 17.6 %
Corn (July)	\$ 3.98/bushel	▼ 6.4 %	▼ 10.0 %	▼ 17.4 %
SBean Meal (July)	\$ 365.7/ton	▲ 0.1 %	▲ 2.9 %	▼ 12.5 %
DMC Margin (May)*	\$ 10.52/cwt.	—	▲ 9.6 %	▲ 117.7 %

**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.*

- May's Dairy Margin Coverage margin was announced at \$10.52 per hundredweight (cwt), \$1.02 over the \$9.50 maximum coverage level and did not trigger indemnities at any coverage level. May's margin was up 92 cents per cwt from April's margin. Year-over-year, May's margin shot up from 2023 at \$4.83 per cwt, a \$5.69 increase. May 2024's all-milk price came in at \$22.00 per cwt, which was up \$1.50 from last month and up \$2.70 from last May. Total feed costs were announced at \$11.48 per cwt., up 58 cents from April but well below feed prices a year ago at \$14.47 per cwt.
- Based on the DMC Online Decision Tool, updated on June 26, margins continue to climb throughout 2024 with no indemnities triggered at any coverage levels. Based on the Decision Tool, projected margins peak in October at \$13.71 per cwt, up 61 cents from May. The forecasted margins then dip to \$13.58 per cwt in November to close out the year at \$13.15 in December. Previously, May 2022's margin at \$12.51 per cwt held the highest margin for the past five program years. If the projected margins hold true, August through December 2024 margins would surpass the previous peak margin.

Government/Industry:

- The USDA has released its proposed changes related to Federal Milk Market Order reform. The changes are included in a 332-page draft that would modernize FMMOs to establish new minimum pricing guidelines for farmers and processors. The USDA's changes included moving back to the "higher of" Class I mover only for fresh fluid milk. Class I milk used to make extended shelf life products would be priced using a 24-month rolling adjuster incorporating the average method. USDA also raised the make allowance credits available to processors. A 60-day comment period is now open for the proposed document.
- The Pennsylvania Department of Agriculture is encouraging all Pennsylvania dairy farms to enroll in the voluntary Lactating Dairy Cow Health Monitoring Program. This program will provide critical data on the health status of dairy cattle in Pennsylvania to ensure that our state remains free of Highly Pathogenic Avian Influenza. Enrolled farms will benefit by no longer being required to individually test cattle prior to interstate movement. Testing will be performed at no cost to producers, and the Department or USDA will provide necessary sampling supplies after enrollment. To ask questions or request an enrollment form, please contact the Department at 717-307-3259 or RA-ahds@pa.gov.
- To learn more about the surveillance program, assistance available from USDA, and other topics related to HPAI in dairy cattle, join the next HPAI and Dairy Industry call on Wednesday, July 10, at 1 p.m. Dial 301-715-8592 and use 541 2794 6647 as the Meeting ID and 833183 as the passcode to join the call.