



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated September 18, 2024



Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Sept)	\$23.27/cwt.	▲ 4.4 %	▲ 13.0 %	▲ 27.3 %
Class IV Milk Price (Sept)	\$22.34/cwt.	—	▲ 3.1 %	▲ 19.1 %
Com (Dec)	\$ 4.12/bushel	▲ 7.3 %	▲ 9.9 %	▼ 14.5 %
SBean Meal (Oct)	\$ 319.9/ton	▲ 0.6%	▲ 2.5 %	▼ 19.5 %
DMC Margin (July)*	\$ 12.33/cwt.	—	▲ 5.7 %	▲ 250.3 %

**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:

- September's World Agricultural Supply and Demand Estimates (WASDE) forecasted reduced cow inventories and milk per cow growth, which resulted in lower milk production forecasts through the remainder of 2024 and into 2025. The 2024 dairy product productions forecasts increased due to the tight milk supply, raised prices, and strong demand and are projected to carry over into 2025. All-milk, Class III, Class IV milk price, specifically, forecasts saw notable increases and could spill over into 2025.
- With feed price forecasts remaining low, for 2024-2025, corn production estimates are at 15.2 billion bushels, a 39 million increase from the previous month's projections, with a 183.6 bushels per acre yield. Soybean production remains unchanged from August's forecasts and conveying the 53.2 bushels per acre yield. Low feed costs coupled with high dairy product prices should motivate dairy producers to create more milk. Low replacement heifer stocks and effects from HPAI in dairy herds will continue to hinder domestic milk production growth.
- Just a reminder that DRP can be a useful price risk management tool for dairy producers. With the fourth quarter coming to a close on Sept. 15, contracts are now available for Quarter 1 2025 through Quarter 1 2026, with the market projecting higher than average Class III and Class IV milk prices. Quarterly coverage endorsement allows farmers to make adjustments to their guarantees without affecting the underlying policy. Producers choose either a class pricing option that allows them to select a percentage of Class III and Class IV milk price futures markets, or a component pricing option, where they use a combination of butterfat, protein, and other solids based on declared butterfat and protein tests. Overall, DRP offers protection on their milk production in the event of an unexpected drop in revenue, yield or price. Reach out to your local crop insurance provider to learn more.

Government/Industry:

- The Center for Dairy Excellence hosted a HPAI dairy industry call on Sept. 18. During the call, there were several special guest panelists. Nathan Brearley, a dairy producer from Portland, MI, recounted firsthand knowledge on how HPAI can impact our dairy herds. Cargill and Koch's Turkey Farm shared how the disease impacted how they work with suppliers. Rod Hissong from Mercer Vu Farms shared how and why his dairy has implemented the voluntary surveillance program through the PA Department of Agriculture. Visit the Center's website under "Dairy Resources—Industry Calls" to listen to the recording or share with others.
- The Pennsylvania Department of Agriculture is encouraging all Pennsylvania dairy farms to enroll in the voluntary Lactating Dairy Cow Health Monitoring Program. 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.