

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — JAN. 8, 2025 — except where noted



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## DMC continues with second farm bill extension 2024 recorded and projected margins mostly above \$9.50

The USDA announced November's Dairy Margin Coverage (DMC) margin at \$14.29 per hundredweight (cwt), \$4.79 above the \$9.50 trigger. This will be the ninth consecutive month for program year 2024 with no indemnities triggered at any coverage level. We saw November's margin continue the downtrend from September's peak margin of \$15.57. November's all-milk price dropped \$1.00 from October's \$25.20 per cwt to \$24.20 in November.

November feed costs fell to \$9.91 per cwt, a 12-cent decrease from the previous month's \$10.03. We noticed the soybean meal price declined \$26.67 per ton from \$342.85 in October to \$316.18. Alfalfa hay experienced a slight \$1.00 per ton decrease month over month, from \$236 to \$235. November's corn price reached \$4.07 per bushel, an 8-cent per bushel bump from October's \$3.99. With corn and alfalfa hay prices experiencing mild changes, the SBM price drop appears to be the primary factor driving the total feed costs down for November. However, we saw that the decreasing all-milk price is contributing to the DMC margin narrowing. Even with November 2024's margin slipping, it is still 49.1% higher than November 2023's \$9.58 per cwt.

Updated on Jan. 2, the DMC Decision Tool forecasts December's margin to be \$13.48 per cwt, an 81-cent drop from November's \$14.29. We see December's all-milk price was projected at \$23.07 per cwt, a \$1.13 drop from November's \$24.20 and would continue a downtrend that started after September's peak of \$25.50.

December's forecasted feed costs decreased 32 cents from November's \$9.91 to \$9.59 per cwt. We noticed alfalfa hay price projection fell \$26 per ton from \$235 in November to \$209. December's forecasted corn price was \$4.01 per bushel, down 6 cents from November's \$4.07. However, December's project-

ed soybean meal (SBM) price reached \$330.35 per ton, recovering \$14.17 from last month's \$316.18.

If December's projections hold true, we could see program year 2024 close out without any additional payments.

Early on Dec. 21, 2024, Congress passed a second extension of the 2018 Farm Bill to prevent a government shutdown. With this second extension, Congress will have until Sep. 30, 2025, to pass a new Farm Bill. In the meantime, we will see current farm programs, such as Dairy Margin Coverage (DMC) and crop insurance provisions remain in place through the 2025 crop year. As of now, there has been no word on when 2025 DMC enrollment will open.

Join us on Jan. 17 from 12 to 1pm for the next "Protecting Your Profits" webinar, titled "2025 Dairy Market Outlook, Trends, and Opportunities Ahead," featuring guest speaker from EverAg.

They will cover U.S. and global milk supply expectations, new cheese capacity, the importance of exports, domestic demand, and how to navigate risk in this environment.

You don't want to miss this opportunity to hear valuable dairy market insight and key risk management information that could help your dairy navigate this ever-shifting market.

Also, don't forget to register for the 2025 PA Dairy Summit on Feb. 5-6 in State College, PA, jointly hosted by the Center for Dairy Excellence and the Professional Dairy Managers of PA. 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 about the PYP webinar and the Dairy Summit, visit [www.centerfordairyexcellence.org/events](http://www.centerfordairyexcellence.org/events).

Prices change daily. This market information is an example for educational purposes. The market data shown below are compiled weekly by Farmshine, via CME & USDA reports.

## CME DAILY FUTURES & OPTIONS TRADING — JAN. 8, 2025 AT THE CLOSE

	JAN-25	FEB-25	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	NOV-25	DEC-25	TREND											
<b>CLASS III MILK FUTURES (\$/CWT) vs. wk ago: Jan25 down \$0.10; Jan-May25 up \$0.05-0.20; June-Sep25 generally steady; Oct-Dec25 up \$0.05.</b>	20.38	20.85	20.49	19.95	19.42	19.24	19.12	19.09	19.04	19.10	18.85	18.44	↑↑											
<b>CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: Steady to \$0.15 higher across the board.</b>	20.98	21.10	20.90	20.83	20.74	20.70	20.65	20.65	20.75	20.65	20.60	20.10	↑↑											
<b>MILK BASIS (MAILBOX minus CLASS 3 \$/CWT) 2018-23 AVG FOR NORTHEAST &amp; MIDEAST STATES OF PA, NY, NEW ENGL., OH vs. NAT'L AVERAGE - YOUR INDIVIDUAL BASIS WILL VARY</b>																								
Mailbox	19.22	18.75	18.82	18.25	18.96	18.48	18.64	18.27	18.52	18.15	18.68	18.38	18.65	18.35	18.62	18.41	19.27	18.75	20.20	19.76	20.58	20.17	20.25	19.64
Class III	16.81	16.81	16.03	16.03	16.98	16.98	17.31	17.31	17.33	17.33	18.16	18.16	18.16	18.16	17.59	17.59	17.60	17.60	18.72	18.72	19.07	19.07	17.30	17.30
BASIS	2.41	1.94	2.79	2.22	1.98	1.50	1.33	0.96	1.19	0.82	0.52	0.22	0.49	0.19	1.03	0.82	1.67	1.15	1.48	1.04	1.51	1.10	2.95	2.34

	MAR-25	MAY-25	JUL-25	SEP-25	DEC-25	MAR-26	MAY-26	JUL-26	SEP-26	DEC-26	JUL-27	SEP-27	TREND				
<b>CORN FUTURES (\$/BU)</b>	4.522	4.624	4.656	4.424	4.450	4.564	4.626	4.654	4.506	4.504	4.610	4.672	↑↑				
<b>SOYMEAL FUTURES (\$/TON)</b>	292.6	300.8	307.9	314.3	315.4	315.2	318.4	319.2	320.0	321.3	323.7	323.2	↓↓				
<b>U.S. AVG PREMIUM ALFALFA &amp; ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report</b>																	
SEP-23	238.50	217.82	240.41	231.70	254.85	224.50	205.02	220.17	175.00	211.69	185.21	196.44	199.57	206.63	192.20	*184.82	↓↓

DMC	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	MAR-24	APR-24	MAY-24	JUN-24	JUL-24	AUG-24	SEP-24	OCT-24	NOV-24	*DEC-24	*NOV-24	
<b>ALL MILK</b>	17.40	19.70	21.00	21.60	21.70	20.60	20.10	20.60	20.70	20.50	22.00	22.80	22.80	23.60	25.50	25.20	25.20	25.20	*24.20	↓↓
<b>FEED \$</b>	13.88	13.24	12.56	12.16	12.12	12.16	11.62	11.16	11.05	10.90	11.48	11.14	10.47	9.88	9.93	10.03	10.03	10.03	*9.91	↓↓

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction (\$/LB) 01/07/25	U.S. CME SPOT DAILY (\$/LB) 01/08/25	U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 01/04/25*
<b>Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to \$/LB</b>	<b>Prev. 5 day Dly</b>	<b>Spot price</b>
<b>NEXT GDT AUCTION 01/21/25</b>	<b>Spot price</b>	<b>Weekly Avg</b>
<b>ALL-PRODUCT INDEX</b> 1.8280 ↓ 1.4%	<b>NFD</b> 31 1.3700 ↓ 1.3683 ↓	<b>NFD</b> 8.4 1.4020 ↑
<b>MILK FAT (AMF)</b> 3.2527 ↓ 1.6%	<b>BUTTER</b> 33 2.6000 ↑ 2.5833 ↑	<b>BUTTER</b> 3.0 2.6181 ↑
<b>BUTTERMILK POWDER</b> 1.4138 ↑ 0.9%	<b>CHEDDAR-40</b> 15 1.9150 ↑ 1.9233 ↑	<b>CHEDDAR-40</b> 10.8 1.8325 ↑
<b>LACTOSE</b> 0.4083 ↓ 2.4%	<b>CHEDDAR-500</b> 6 1.8700 ↑ 1.8625 ↑	<b>CHEDDAR-500</b> 12.6 1.7797 ↑
	<b>DRY WHEY</b> 3 0.7400 ↓ 0.7425 ↓	<b>DRY WHEY</b> 3.9 0.7086 ↑

ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) NASS ALL-MILK					CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW				
<b>CL I ADV</b> ↓	<b>CL II</b> ↓	<b>CL III</b> ↓	<b>CL IV</b> ↓	<b>ALL-MILK-U.S.</b>	<b>WEIGHTED AVG.</b>	<b>4-WK DEC.</b>	<b>1-28, 2024</b>	<b>*DEC. 2024</b>	<b>COMPONENTS</b>
20.38(JAN)	*21.28(DEC)	*18.62(DEC)	*20.74(DEC)	*24.20(NOV) ↓	1.7608	0.2003	1.5605 ↓	*PROT	1.9637 ↓
21.43	21.52	19.95	21.12	25.20 4.26F	2.5748	0.1715	2.4033 ↓	*B.FAT	2.9104 ↓
18.48	19.98	16.04	19.23	23.20 4.24F	1.3952	0.1678	1.2274 ↑	*N.FAT	1.2151 ↑
					0.6353	0.1991	0.4362 ↑	*OTHER	0.4493 ↑

U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report					U.S. AVG. MILKING COWS per head as reported by USDA Monthly National Dairy Comprehensive Report				
NOV-23	DEC-23	JAN-24	FEB-24	MAR-24	NOV-23	DEC-23	JAN-24	FEB-24	MAR-24
2108	N/A	1635	N/A	N/A	2115	2016	N/A	N/A	2800

CATTLE - DAIRY PURPOSES (\$/HD) USDA and other East and Midwest auction reports combined 4-week rolling average as of DEC. 20, 2024										
<b>*MILK COWS (NASS) U.S. Avg.</b>	<b>FRESH</b>	<b>HEIFERS: Springing</b>	<b>Bred</b>	<b>Beef x</b>	<b>OPEN: 300-600 lbs</b>	<b>Beef X</b>	<b>600-900 lbs</b>	<b>Beef X</b>	<b>900-1100 lbs</b>	<b>BULLS (800-1300 lbs)</b>
*\$2600 OCT-24 ↑	\$3350	3000	2200	2200	900	1300	1200	N/A	1600	1800
\$1850 OCT-23	\$1760 JUL-23	2075	2100	1650	1400	625	N/A	975	N/A	1350

PA Auction Markets Jan. 2-7, 2025					FED STEERS (\$/CWT LIVE)					BULL CALVES: No. 1 & 2, 90-130 lbs				
<b>CULL MARKET COWS (\$/CWT LIVELWEIGHT)</b>	<b>Premium White</b>	<b>Breakers</b>	<b>Boners</b>	<b>Lean</b>	<b>Choice &amp; Prime</b>	<b>1250-1550 lb</b>	<b>No Test</b>	<b>No Test</b>	<b>181.50</b>	<b>188.35</b>	<b>135.00</b>	<b>N/A</b>		
	124.00 ↑	118.75 ↑	114.75 ↑	109.85	<b>70-85 lbs</b>	650.00 ↓	850.00 ↓	630.00	875.00	325.00	550.00			
	99.85	90.25	80.25	600.00		875.00 ↓	700.00	925.00	400.00	600.00				

