

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — APR. 24, 2024 — except where noted



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**U.S. dairy herd continues to shrink:** USDA revised its U.S. herd estimates for the first two months of the year in the latest Milk Production Report, showing the nation's herd size increasing 19,000 head from January to February to 9.342 million head. However, the herd contracted again in March, dropping 7,000 head to 9.335 million head. With that drop, cow numbers have fallen 98,000 head from a year ago, the largest one-year drop in cow numbers since 2010. With U.S. heifer inventories also at low levels, the lower cow numbers could indicate a shrinking milk supply in coming months.

U.S. total milk production fell 1% from a year ago to 19.603 billion pounds, with milk production per cow flat year over year. USDA's revised numbers for February has total milk production in that month falling about 0.8% year over year when adjusted for Leap Year. With the adjustment, the U.S. has posted year over year decreases in total milk production for the past 9 months.

HPAI or Bovine Influenza in cattle could already be having an impact on the Southwest milk supply, with Texas down 5.1% in total milk production from a year ago while New Mexico was down 15.2%. A combined total of 59,000 head left those two states in the last year, with milk production per cow down 1% in New Mexico and 2.4% in Texas. Georgia also saw a deep decline in milk production, falling 7.4%, while Oregon was down 9.2%.

Only 5 states in the top 24 posted increases in total milk production from a year ago in March. South Dakota had the biggest gain, up 11.2% to 408 million pounds for the month. Wisconsin was up 1%, while California was up 0.7%. Idaho was down 1.3%, while New York dropped 0.2%. Michigan and Minnesota were both down, falling 0.3% and 1.4%, respectively. Pennsylvania's milk production seemed to stabilize this month, falling just 0.1% with 1,000 fewer cows than a year ago and flat milk production per cow.

No new states announced confirmed cases of the highly pathogenic avian influenza, or Bovine Influenza A, in dairy cattle in the

past week and a half, as of April 23. Still, with the spring bird migration north only just beginning, ramping up your biosecurity protocols on the farm would be a proactive step against any future spread.

The Commonwealth of Pennsylvania announced a week ago that, in the case of a quarantine, dairy farms must have a completed FARM Everyday Biosecurity Plan Step 3 and Pennsylvania wildlife supplement on hand to receive a 30-day milk movement permit. The Center for Dairy Excellence and Penn State are working together to provide templates for completing those plans at no cost.

To order your biosecurity resource kit, which includes the template, call the Center at 717-346-0849 or visit our website at centerfordairyexcellence.org/request-an-everyday-biosecurity-kit/.

Dairy farmers can also attend one of five open houses being planned by the Penn State Extension Dairy Team on Monday, April 29, to get help in completing their plans. The open houses will be held from 9 a.m. – 6 p.m. in Lancaster, Blair, Westmoreland, Tioga, and Mercer County Extension Offices. They will have kits available at those open houses if you did not order a kit from the Center.

April 29 is also the deadline to enroll in USDA's Dairy Margin Coverage Program for the 2024 Calendar Year. Payments are retroactive to January milk, with a \$1.02 January indemnity payment for those covered at the \$9.50 level. A smaller indemnity payment of \$0.06 was announced for February.

DMC program is intended to serve as a safety net against volatility in either your milk price or in the price you are paying for your feed. Farms can protect anywhere from a \$4 to a \$9.50 margin in 50-cent increments. With unpredictability expected to continue in the marketplace going forward, consider stopping by your local FSA office by next Monday to enroll in this low-cost safety net program if you haven't done so already.

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

## CME DAILY FUTURES & OPTIONS TRADING — APR. 24, 2024 AT THE CLOSE

APR-24	MAY-24	JUN-24	JUL-24	AUG-24	SEP-24	OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	TREND
<b>CLASS III MILK FUTURES (\$/CWT)</b> vs. wk ago: Apr24 firm, May-Jul24 up \$0.35-\$0.60, Aug-Sep24 up \$0.05-0.15, Oct24-Feb25 weak-\$0.05 lower, Mar25 up \$0.10 <b>12-Month Avg. 17.96↑↑</b>												
15.58	17.77	17.90	18.24	18.45	18.68	18.56	18.33	18.10	18.01	18.00	18.05	↑↑
<b>CLASS IV MILK FUTURES (\$/CWT)</b> vs. wk ago: Apr24 firm, May-Dec24 down \$0.05-0.20, Jan-Feb25 up \$0.30-0.40, Mar25 firm. <b>12-Month Avg. 20.71↓↓</b>												
20.17	20.10	20.20	20.61	20.80	21.14	21.31	21.50	21.20	20.67	20.67	20.15	↓↓

MILK BASIS (MAILBOX minus CLASS 3 \$/CWT)	2018-23 AVG FOR NORTHEAST & MIDEAST STATES OF PA, NY, NEW ENGL., OH vs. NAT'L AVERAGE - YOUR INDIVIDUAL BASIS WILL VARY																							
Mailbox	18.64	18.27	18.52	18.15	18.68	18.38	18.65	18.35	18.62	18.41	19.27	18.75	20.17	20.25	19.64	19.22	18.75	18.82	18.25	18.96	18.48			
Class III	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	16.81	16.81	16.03	16.03	16.98	16.98
BASIS	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	2.41	1.94	2.79	2.22	1.98	1.50

CORN FUTURES (\$/BU)													TREND
MAY-24	JUL-24	SEP-24	DEC-24	MAR-25	MAY-25	JUL-25	SEP-25	DEC-25	MAR-26	MAY-26	JUL-26		
4.376	4.484	4.582	4.726	4.860	4.944	5.004	4.832	4.870	4.956	5.006	5.034	↑↑	
WEEK AGO													
4.302	4.410	4.496	4.646	4.776	4.854	4.896	4.802	4.850	4.942	4.986	5.014		

SOYMEAL FUTURES (\$/TON)													TREND
MAY-24	JUL-24	AUG-24	SEP-24	OCT-24	DEC-24	JAN-25	MAR-25	MAY-25	JUL-25	AUG-25	SEP-25		
346.0	349.2	350.0	350.3	350.1	352.3	352.9	351.7	351.7	353.3	352.9	351.8	↑↑	
WEEK AGO													
338.7	339.8	340.6	341.1	340.9	343.8	344.7	344.2	344.7	346.9	346.5	345.4		

U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report															
DEC-22	JAN-23	FEB-23	MAR-23	APR-23	MAY-23	JUN-23	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	*MAR-24
296.50	266.60	297.25	277.00	290.00	292.86	244.27	254.92	243.50	238.50	217.82	240.41	231.70	254.85	224.50	*205.02

DMC OFFICIAL GROSS MARGINS per cwt(USDA All-Milk, com, alfalfa & Ill. soybean, feed for ALL CLASSES of dairy cattle on farm) Updated with NEW prem. alfalfa feed cost																	
DMC	NOV-22	DEC-22	JAN-23	FEB-23	MAR-23	APR-23	MAY-23	JUN-23	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	*FEB-24	MAR-24
ALL MILK	10.89	9.76	7.94	6.19	6.08	5.84	4.83	3.65	3.52	6.46	8.44	9.44	9.58	8.44	8.48	*9.44	TBA
FEED \$	14.71	14.94	15.16	15.41	15.02	14.86	14.47	14.25	13.88	13.24	12.56	12.16	12.12	12.16	11.62	11.16	TBA

DAIRY COMMODITIES - GLOBAL DAIRY TRADE BIWEEKLY INTERNET AUCTION 04/16/24						U.S. CME CASH MARKET (\$/LB) 04/24/24						**USDA DEC-23 NEW*	
GDT QUOTES AVERAGE OF FORWARD CONTRACTS 1-6 mos. forward, per metric ton						CME QUOTES LAST DAILY SPOT BID, OFFER, SALE						ALL-MILK BF *MAILBOX	
ALL-PRODUCT INDEX	3590	↑ 0.1%	BUTTERMILK POWDER	N/A	GRADE A NFDM	3 LBS	1.1025	↓	*FL	\$25.20	3.94	\$23.46	
WHOLE MILK POWDER (WMP)	3269	↑ 0.4%	BUTTER	6546	↓ 1.4%	DRY WHEY	2 LBS	0.3700	↓	*SE	\$24.80	4.08	\$22.77
SKIM MILK POWDER (SMP)	2541	UNCHANGED	CHEDDAR (BULK)	3974	↓ 8.5%	BUTTER	0 LBS	2.9675	↑	*APP	\$24.80	4.22	\$22.13
ANHYDROUS MILKFAT (AMF)	7062	↑ 1.7%	MOZZARELLA (BULK)	3755	↓ 3.8%	CHEDDAR 40 LB BLOCKS	0 LBS	1.7400	↑	*NENG	\$22.40	4.34	\$21.60
			LACTOSE	740	↓ 1.3%	500 LB BARRELS	0 LBS	1.7700	↑	*NY	\$21.50	4.21	\$20.92

ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) NASS ALL-MILK						CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW								
*CL I ADV	↓	CL II	↑	CL III	↑	ALL-MILK-U.S	ALL-MILK-PA	WEIGHTED AVG. 4-WK	FEB. 26-MAR.30, 2024	MAR. 2024				
*18.46	(MAY)	20.12	(MAR)	16.34	(MAR)	20.09	(MAR)	PRODUCT	VALUE	MAKE ALLOW	NET	COMPONENTS		
19.18		20.53		16.08		20.10	4.35F	CHEESE	1.6082	0.2003	1.4079	↑	PROT	1.1265
19.57		19.52		18.10		21.60	4.21F	BUTTER	2.8457	0.1715	2.6742	↑	B.FAT	3.2385
								NFDM	1.1863	0.1678	1.0185	↓	N.FAT	1.0083
								DRYWHEY	0.4788	0.1991	0.2797	↑	OTHER	0.2881

U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report															
DEC-22	JAN-23	FEB-23	MAR-23	APR-23	MAY-23	JUN-23	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	*MAR-24
1300	1250	1352	1342	1330	1400	1559	1502	1540	1500	1741	2108	N/A	1635	N/A	*N/A

U.S. AVG. FRESH COWS per head as reported by USDA Monthly National Dairy Comprehensive Report															
1531	1436	1487	1493	1544	1469	1792	1615	1634	1643	1830	1988	*N/A	1792	N/A	*N/A

CATTLE - DAIRY PURPOSES(\$/HD) USDA Reports, little data available, Northeast, Southeast, Mideast, Midwest dispersal & auction report averages (4-week avg Apr. 20)																																	
FRESH HEIFERS: Bred			Springing			Beef x			Open: 300-600 lbs			Beef x 600-900 lbs			Beef x 900-1100 lbs			BULLS(800-1300lbs)															
2550			1950			2275			2600			800			975			N/A			1150												
YEAR AGO													1720 (NASS)			1425			1505			1475			N/A			N/A			1045		

PA Auction Markets Apr. 18-23, 2024						FED HOLSTEIN STEERS (\$/CWT LIVELWEIGHT)						CURRENT																																															
CULL MARKET COWS (\$/CWT LIVELWEIGHT)						Choice & Prime 1250-1550 lbs light test						Hol x Beef						WEEK AGO						YR AGO																																			
Premium White						Breakers						Boners						Lean						160.00						172.75						N/A						175.50						825.00						260.00					
121.75						119.35						110.35						700.00						850.00						625.00						835.00						275.00																	



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