

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — MAY 1, 2024 — except where noted



**JAYNE SEBRIGHT**  
Executive Director, CDE  
717.346.0849  
jsebright@centerfordairyexcellence.org



**Class III prices increasing:** The March margin under USDA's Dairy Margin Coverage Program was announced just after the enrollment for the 2024 Program closed. The margin is 15 cents above the maximum \$9.50 margin coverage level, announced at \$9.65 per cwt, the highest since Dec. 2022. March's all-milk price was announced at \$20.70 per cwt., up 10 cents from February, while feed costs fell 11 cents to \$11.05 per cwt. Corn prices were flat month over month, while both alfalfa hay and soybean prices were down slightly. Looking ahead, the DMC Decision Tool is forecasting margins to stay above the \$9.50 level for the remainder of the year.

In the last month, Class III futures prices for the last three quarters of 2024 are up about \$1.08, on average, with the greatest increases in near term milk prices. The April 2024 Class III price went off the board at \$15.52 per cwt., but May jumped to \$18.38, based on April 30 futures. Class IV futures had a slight bump since the beginning of April, but still hover between \$20 and \$21 for the remainder of the year.

USDA's Cold Storage Report, released last week, shows stocks of both butter and cheese increased month over month. Butter stocks were up 6% from a month ago and 2% from a year ago to 316.63 million pounds. The increase in butter stocks is slightly higher than the 5-year average build up for Feb. to March.

Total cheese inventories were fairly flat, increasing 0.1% from a month ago to 1.46 billion pounds. Typically, cheese inventories grow significantly between Feb. and March, but an increase in export sales offset by slower cheese manufacturing during the month kept the growth to a minimum. American cheese inventories were down 0.6% from Feb. at 825.6 million pounds, while Mozzarella production was up 0.8%. Slower than expected growth in cheese stocks could be part of the reason for the recent increase in Class III milk prices.

With prices on the CME fairly strong right now compared to recent months, now might be a good time to consider using Dairy Revenue Protection (DRP) to provide market-based coverage for your dairy. DRP

is a Federal Crop Insurance program that is implemented and administered by the USDA's Risk Management Agency. DRP insurance guarantees a minimum quarterly revenue for up to 100% of quarterly milk production without having to give up the top side of the market if milk price starts increasing again.

A benefit to DRP is that premiums are subsidized by 44% up to 55%, depending on the price protection amount chosen by the dairy farmer. Policies are available nearly every day that milk production is traded on the Chicago Mercantile Exchange (CME) with a few exceptions. Policies are available up to 5 months in advance. Currently, policies for third quarter 2024 through third quarter 2025 are available for purchase. DRP is highly customizable and can be made to closely match your milk check. The two options available are the Class option or Component option. It essentially sets a floor on your milk price, based on where the market is when you lock in your price.

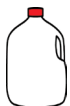
While DMC enrollment has closed for 2024, you can still take advantage of DRP to protect your milk margins. DRP policies can be purchased through an authorized insurance provider, like your crop insurance agent. Some dairy cooperatives also have staff members authorized to provide DRP policies to dairy farmers. Coverage for the third quarter of 2024 is available through June 15. To learn more, contact your crop insurance agent or contact your milk marketing cooperative.

The Center for Dairy Excellence continues to work to keep dairy farmers and other stakeholders informed about emerging HPAI in dairy cattle. With USDA announcing a Federal Order requiring pre-testing on interstate travel of lactating dairy cows and mandatory reporting of positive HPAI tests, it is important that all farms understand the requirements and how to best protect their dairies against potential spread. Join our weekly Dairy Industry Calls on Wednesdays at 1 p.m. Dial 301-715-8592 to join the call and use 813 6659 8116 as the Meeting ID and 162069 as the Passcode.

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 — MAY 1, 2024 AT THE CLOSE

	MAY-24	JUN-24	JUL-24	AUG-24	SEP-24	OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	APR-25	TREND											
<b>CLASS III MILK FUTURES (\$/CWT)</b> vs. wk ago: 2024 contracts up \$0.20-0.60 with full advance for May through Sep.; Jan-Apr25 up \$0.05-0.10. 12-Month Avg. 18.50↑↑	18.35	18.53	18.83	18.88	19.05	18.95	18.65	18.30	18.10	18.10	18.10	18.10	↑↑											
<b>CLASS IV MILK FUTURES (\$/CWT)</b> vs. wk ago: May-Sep24 firm to \$0.15 higher, Oct24-Apr25 down \$0.10-0.20. 12-Month Avg. 20.64↓↓	20.11	20.34	20.62	20.85	21.16	21.29	21.05	20.47	20.47	20.58	20.25	19.75	MIXED											
<b>MILK BASIS (MAILBOX minus CLASS 3 \$/CWT)</b> 2018-23 AVG FOR NORTHEAST & MIDEAST STATES OF PA, NY, NEW ENGL., OH vs. NAT'L AVERAGE - YOUR INDIVIDUAL BASIS WILL VARY	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	19.22	18.75	18.82	18.25	18.96	18.48	18.64	18.27
<b>Mailbox</b>	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	17.31	17.31
<b>Class III</b>	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	1.33	0.96



## CORN FUTURES (\$/BU)

	MAY-24	JUL-24	SEP-24	DEC-24	MAR-25	MAY-25	JUL-25	SEP-25	DEC-25	MAR-26	MAY-26	JUL-26	TREND
	4.432	4.506	4.590	4.726	4.864	4.950	5.012	4.826	4.864	4.960	5.014	5.050	↑↑
WEEK AGO	4.376	4.484	4.582	4.726	4.860	4.944	5.004	4.832	4.870	4.956	5.006	5.034	

## SOYMEAL FUTURES (\$/TON)

	MAY-24	JUL-24	AUG-24	SEP-24	OCT-24	DEC-24	JAN-25	MAR-25	MAY-25	JUL-25	AUG-25	SEP-25	TREND
	342.6	349.0	349.8	349.8	350.2	353.6	354.6	354.0	354.5	356.3	356.0	354.7	↑↑
WEEK AGO	346.0	349.2	350.0	350.3	350.1	352.3	352.9	351.7	351.7	353.3	352.9	351.8	

## 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	*9.65
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	11.05

## DAIRY COMMODITIES - GLOBAL DAIRY TRADE BIWEEKLY INTERNET AUCTION 04/16/24

GDT QUOTES AVERAGE OF FORWARD CONTRACTS	1-6 mos. forward, per metric ton	U.S. CME CASH MARKET (\$/LB) 05/01/24	CME QUOTES LAST DAILY SPOT BID, OFFER, SALE	**USDA JAN-24 NEW
ALL-PRODUCT INDEX	3590 ↑↑ 0.1%	BUTTERMILK POWDER	N/A	ALL-MILK BF *MAILBOX
WHOLE MILK POWDER (WMP)	3269 ↑↑ 0.4%	BUTTER	6546 ↓↓ 1.4%	*FL \$24.60 3.97 \$23.35
SKIM MILK POWDER (SMP)	2541 UNCHANGED	CHEDDAR (BULK)	3974 ↓↓ 8.5%	*SE \$24.40 4.14 \$23.34
ANHYDROUS MILKFAT (AMF)	7062 ↑↑ 1.7%	MOZZARELLA (BULK)	3755 ↓↓ 3.8%	*APP \$24.50 4.23 \$21.64
		LACTOSE	740 ↓↓ 1.3%	*NENG \$22.00 4.37 \$21.19
				*PBASE \$21.30 4.24 \$20.57
				*IN \$21.60 4.23 \$20.46
				*OH \$21.10 4.21 \$20.44
				*NY \$21.60 4.32 \$20.24
				*PWestern PA only \$20.02
				*MO N/A N/A \$19.96
				*IL \$19.90 4.36 \$19.51
				*MI \$20.40 4.26 \$19.27
				*US \$20.10 4.35 \$19.14
				*WDR \$21.90 4.49 \$18.99
				*CA \$20.00 4.28 \$18.52
				*TX \$20.50 4.51 \$18.38
				*NEKS \$19.40 4.51 \$18.35
				*WI \$18.00 4.29 \$18.00
				*MN \$18.60 4.60 \$17.98
				*IA \$18.00 4.52 \$17.88
				*NM \$19.30 4.22 \$17.67

## ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) NASS ALL-MILK

CL I ADV	*CL II	*CL III	*CL IV	*ALL-MILK-U.S.	*ALL-MILK-PA
18.46(MAY)	*20.23(APR)	*15.50(APR)	*20.11(APR)	*20.70(MAR)↑↑	*21.70(MAR)↓
19.18	20.12	16.34	20.09	20.60 4.30F	21.90 4.19F
19.57	19.20	18.52	17.95	21.10 4.19F	21.70 4.14F

## 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
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## 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	N/A	1150		
1720 (NASS)	1425	1505	1475	N/A	N/A	N/A	N/A	1045		

## PA Auction Markets Apr. 25-30, 2024

CULL MARKET COWS (\$/CWT LIVELWEIGHT)	FED HOLSTEIN STEERS (\$/CWT LIVELWEIGHT)	CURRENT	Hol x Beef	WEEK AGO	YR AGO
Premium White	Choice & Prime 1250-1550 lbs light test	145.00	180.50	160.00	172.75
Breakers	No. 1 & 2, 90-130 lbs	550.00	850.00	580.00	775.00
Boners	70-85 lbs	650.00	875.00	700.00	850.00
Lean					230.00

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WEEK AGO	YEAR AGO
121.75	119.35
110.35	98.75
110.35	96.25
110.35	84.00

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