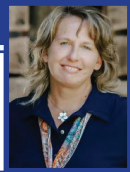


CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — MAY 8, 2024 — except where noted



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Dairy exports continue to slip: Dairy exports continued their downward trend from 2023 in the first quarter of 2024. Total dairy exports declined year over year in March, with total dairy export volumes dropping 4.5 percent to 527 million pounds, while the value of those exports fell 9.2 percent to \$740 million. The year-over-year decline in March came on the heels of February's jump in total dairy export volume and values. Year to date, dairy export volumes are down 3.1 percent from 2023, while export values were down 10 percent in the first quarter.

Cheese sales overseas continue to be strong and remain a bright spot in the dairy export market. March cheese exports were up 21 percent to 50,022 metric tons, marking the first time cheese volumes have ever reached 50,000 metric tons in a single month. Much of the growth in sales is coming from Mexico, with year-over-year shipments to our southern neighbor up 8 percent in March. This past month is the 33rd consecutive month of growth in cheese exports into Mexico. Shipments of US cheese to Japan, South Korea, the Middle East and North Africa, and Latin America were also strong in the month of March. With lower domestic cheese prices very competitive on the world market, March is the fifth consecutive month of year-over-year gains in total cheese sales overseas.

Nonfat dry milk and skim milk powder shipments overseas continue to slip, with March NFD and SMP shipments falling 18 percent from a year ago. Powder exports into the Southeast Asia market were up 13 percent, while powder shipments into Mexico were down 37 percent. US Dairy Export Council is pointing to several factors contributing to the decline in overseas sales of NFD and SMP sales, including a decrease in domestic production and stocks of Nonfat Dry Milk Powder. According to the latest USDA Dairy Products report, nonfat dry milk powder production was down 7.9 percent or about 12 million pounds in March.

The latest Dairy Products report shows total cheese output in March

up 0.1 percent from a year ago to 1.23 billion pounds, up 7.6 percent from February. Italian type cheese production was up 4.4 percent from last year to 518 million pounds, while American type cheese production was down 2.9 percent to 491 million pounds. Butter production was up 1.4 percent from a year ago to 209 million pounds. Despite the increase in butter production, combined production of skim milk powder and nonfat dry milk powder was down 14.5 percent from a year ago to 212.02 million pounds.

With cheese production basically flat from a year ago, both spot butter and spot cheese prices are up from a month ago. Butter prices hit \$3.02 per pound on May 7, up 10 cents from a month ago. Cheese prices have increased more significantly, with spot Cheddar block prices at \$1.8375 per pound, as of May 7, up nearly 40 cents from a month ago. Class III prices have also rebounded with the higher cheese prices.

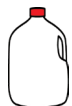
USDA announced the April Class III price at \$15.50 per cwt., down 84 cents from March and \$3.02 behind year-ago levels. The April Class IV price was announced at \$20.11, up 2 cents from March and \$2.16 above last April. Class III milk futures, however, are up nearly \$3 from April, with May's Class III price currently trading at \$18.33 per cwt. The average Class III futures price for the remainder of 2024 is \$19.00 per cwt. Class IV has held steady, with the 2024 average Class IV futures prices at \$21.07 per cwt., as of the close of May 7 trading.

USDA announced last week that product testing has not detected any active Highly Pathogenic Avian Influenza (HPAI) virus in hundreds of samples of milk, cottage cheese, and sur cream. The Department also announced that it tested retail ground beef samples and found no active virus in those samples as well.

This continues to affirm that there is no concern about the safety of the milk or meat supply related to the HPAI outbreak in dairy cattle. However, it continues to be an animal health concern.

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 8, 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												
CLASS III MILK FUTURES (\$/CWT) vs. wk ago: <i>May24 up \$0.20; June up \$1.75; Jul-Nov24 up \$0.50-\$1.00; Dec24-Apr25 up \$0.10-0.30</i> 12-Month Avg. 19.04 ↑↑																								
18.57	20.18	19.97	19.78	19.75	19.52	19.15	18.60	18.30	18.20	18.23	18.24	↑↑												
CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: <i>Fully \$0.15 to \$0.40 higher, mostly \$0.20-0.30 higher across the board.</i> 12-Month Avg. 20.86 ↑↑																								
20.29	20.68	20.84	21.09	21.29	21.54	21.75	21.28	20.73	20.58	20.40	19.95	↑↑												
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	18.52	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
Class III	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
BASIS	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



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
CORN FUTURES (\$/BU)												
4.454	4.584	4.684	4.812	4.940	5.022	5.086	4.900	4.926	5.032	5.100	5.146	↑↑
WEEK AGO												
4.432	4.506	4.590	4.726	4.864	4.950	5.012	4.826	4.864	4.960	5.014	5.050	



MAY-24	JUL-24	SEP-24	DEC-24	MAR-25	MAY-25	JUL-25	SEP-25	DEC-25	MAR-26	MAY-26	SEP-25	TREND
SOYMEAL FUTURES (\$/TON)												
374.8	378.5	375.7	374.3	373.2	375.7	376.2	374.5	374.4	375.4	374.5	372.7	↑↑
WEEK AGO												
342.6	349.0	349.8	349.8	350.2	353.6	354.6	354.0	354.5	356.3	356.0	354.7	

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	*APR-24
U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report															
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	*20.17

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
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																	
ALL MILK	25.60	24.70	23.10	21.60	21.10	20.70	19.30	17.90	17.40	19.70	21.00	21.60	21.70	20.60	20.10	20.60	20.70
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

ALL-PRODUCT INDEX	3708	↑ 1.8%	BUTTERMILK POWDER	2545	↑ 1.7%
WHOLE MILK POWDER (WMP)	3350	↑ 2.4%	BUTTER	6593	↑ 2.1%
SKIM MILK POWDER (SMP)	2551	↑ 0.4%	CHEDDAR (BULK)	4257	↑ 8.0%
ANHYDROUS MILKFAT (AMF)	7124	↑ 1.2%	MOZZARELLA (BULK)	3840	↑ 2.3%
			LACTOSE	739	↓ 1.3%

CL I ADV	CL II	CL III	CL IV	ALL-MILK-U.S.	ALL-MILK-PA
18.46	20.23	15.50	20.11	20.70	21.70
19.18	20.12	16.34	20.09	20.60	21.90
19.57	19.20	18.52	17.95	21.10	21.70

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	*APR-24
U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report															
1250	1352	1342	1330	1400	1559	1502	1540	1500	1741	2108	N/A	1635	N/A	N/A	N/A

FRESH HEIFERS:	Bred	Springing	Beef x	Open:	300-600 lbs	600-900 lbs	900-1100 lbs	BULLS (800-1300lbs)
2550	1950	2275	2600	800	975	N/A	N/A	1150

PA Auction Markets May 2-7, 2024	CULL MARKET COWS (\$/CWT LIVELWEIGHT)	FED HOLSTEIN STEERS (\$/CWT LIVELWEIGHT)	BULL CALVES:								
Premium White	Breakers	Boners	Lean	Choice & Prime	1250-1550 lbs light test	154.00	180.50	145.00	180.50	142.00	↑↑
				No. 1 & 2, 90-130 lbs	70-85 lbs	630.00	950.00	550.00	850.00	335.00	↑↑
						675.00	1075.00	650.00	875.00	325.00	↑↑

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