



Dated May 1, 2024

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (April)	\$15.52/cwt.	▼ 0.6 %	▼ 5.0 %	▼ 7.4 %
Class IV Milk Price (April)	\$20.17/cwt.	—	▲ 3.9 %	▲ 12.4 %
Corn (May)	\$ 4.39/bushel	▲ 2.0 %	▲ 3.0 %	▼ 32.0 %
SBean Meal (May)	\$ 346.3/ton	▲ 0.3 %	▲ 5.4 %	▼ 19.0 %
DMC Margin (March)*	\$ 9.65/cwt.	—	▲ 2.2 %	▲ 58.7 %

**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.*

- USDA's Cold Storage Report, released last week, shows stocks of both butter and cheese increasing month over month. Butter stocks were up six percent from a month ago and 2 percent from a year ago to 316.63 million pounds. The increase in butter stocks is slightly higher than the five-year average build up for February to March.
- Total cheese inventories were fairly flat, increasing 0.1 percent from a month ago to 1.46 billion pounds. Typically cheese inventories grow significantly between February 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 percent from a February to 825.6 million pounds, while Mozzarella production was up 0.8 percent. The slower than expected growth in cheese stocks could be part of the reason for the recent increase in Class III milk prices.
- 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 prices jump to \$18.38 per cwt., based on April 30 prices. Class IV futures prices have had a slight bump since the beginning of April, but still hover between \$20 and \$21 per cwt. for the remainder of the year.

Government and Industry:

- 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 hundredweight, the highest margin since December 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.
- With USDA announcing a new Federal Order and Pennsylvania working to adapt its Quarantine Order to be consistent, the Center will continue to have weekly dairy calls to keep everyone informed. The next call will be on Wednesday, May 8, at 1 p.m. To join, dial 301-715-8592 and use 813 6659 8116 as the meeting ID and 162069 as the passcode.
- The Center and Penn State continue to offer biosecurity resource kits to help Pennsylvania dairy farms enhance their biosecurity protocols and implement a biosecurity plan. If a farm is quarantined, one of the requirements to receive a 30-day milk movement permit will be to have a Everyday Biosecurity Plan and Pennsylvania supplement completed. Those documents are included in the resource kit. To receive a kit, call the Center at 717-346-0849 or email info@centerfordairyexcellence.org.