

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

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



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**On learning something new:** Last week Rob Goodling from Horizon Farm Credit joined me for our "Protecting Your Profits" Webinar to share highlights from the 2023 Annual Performance Indicator Review compiled from Pennsylvania dairy herds participating in Horizon and Penn State's benchmark programs last year. The review looked at 17 dairy performance indicators that could help your dairy farm compare your individual performance to a state average. It included both herd performance metrics and financial performance metrics. While the numbers are from 2022, the webinar provided a good review of how Pennsylvania metrics compared to farms in another key dairy state: Minnesota. You can access it at [centerfordairyexcellence.org/protecting-your-profits/](http://centerfordairyexcellence.org/protecting-your-profits/). You can also listen to it as a podcast on Spotify, Apple, or Amazon Music. Just search for "Protecting Your Profits."

Famous chef Julia Child once said, "You'll never know everything about anything, especially something you love." If you love what you do, whether it's being a chef or being a dairy farmer, continual learning is an investment in getting better at something you love.

In many professions, continuing education is just part of the job. Teachers, lawyers, accountants, physicians, and pilots are all examples of careers that require certification of continuous professional development. Even in agriculture, continuing education is a requirement in some professions. Veterinarians and nutritionists are two of those professions. As farmers, anyone who has a pesticide license knows all too well the chore of making sure you attend enough meetings that offer credits each year to maintain your pesticide certification.

The National FARM Program is the closest that dairy comes to requiring continuing education, with family members and employees now required to get credits in core areas of FARM. Regardless of whether you want to meet a professional development requirement or you're looking to just learn something new, be sure to take advantage of one or more opportunities this winter season to get some new information or a new idea to benefit your dairy.

The "Protecting Your Profits" Webinar is one example of the many

professional development opportunities where dairy farmers and their employees can learn something new. Another opportunity is our Pennsylvania Dairy Summit, scheduled for February 7 - 8 at the Lancaster Wyndham in Lancaster, Pennsylvania. The Center co-hosts this event annually with the Professional Dairy Managers of Pennsylvania (PDMP) to provide a mix of management training, industry insight, networking and inspiration appealing to anyone working in the dairy industry.

With volatility in dairy markets being front and center in 2023, Phil Plourd, Head of Market Intelligence with Ever.Ag, will share his perspective on the never-ending shifts in dairy markets and how to navigate an increasingly more volatile marketplace. Roxi Beck with the Center for Food Integrity will talk about building trust in and outside the farm gate – with your employees, your family members and business partners, and with the vendors and customers supporting your farm. She will help us think differently about what it means to earn trust and how different pressure points are shaping today's food systems with a need for deeper transparency.

This year, we have four breakout tracks – For Your Dairy, For Your Future, For Your Employees, and For Your Perspective. Three dairy farmer panels are planned during the breakout sessions, focused on working through transition, achieving low employee turnover, and balancing growth with profitability. A few of the other breakout sessions will focus on building team culture, transitioning from a doer to a manager, feeding fatty acids during the transition stage, understanding carbon credits, and navigating personality styles. A total of twelve breakouts, three mini breakouts, and two discussion group opportunities will be part of the program.

Visit [padairysummit.org](http://padairysummit.org) or call the Summit Business Office at 814.355.2467 to register or learn more. The first person from a dairy farm can register for \$100; additional farm members \$75. One-day producer rates are even lower. Hotel rates are deeply discounted through a group rate.

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 — JAN. 24, 2024 AT THE CLOSE

*AVG = Average basis for North-East and Mid-East	JAN-24	FEB-24	MAR-24	APR-24	MAY-24	JUN-24	JUL-24	AUG-24	SEP-24	OCT-24	NOV-24	DEC-24	TREND											
<b>CLASS III MILK FUTURES (\$/CWT) vs. wk ago:</b> Jan-Feb steady to \$0.10 lower, Mar-Dec \$0.15-0.35 lower.	15.18	15.58	15.86	16.43	17.09	17.59	17.85	18.03	18.24	18.14	18.13	18.00	12-Month Avg. 17.17↓											
<b>CLASS IV MILK FUTURES (\$/CWT) vs. wk ago:</b> Jan-Mar unevenly steady; Apr-Jun dn \$0.05-0.15, Jul-Dec up \$0.05-0.15.	19.25	19.08	19.00	19.26	19.36	19.62	19.85	20.10	20.15	20.30	20.12	19.86	12-Month Avg. 19.66↑											
<b>*MARGIN = Milk Price over Feed Cost per cwt. YELLOW = payment triggered</b>	15.25	0.08	15.50	0.16	15.75	0.40	16.50	0.60	17.00	0.65	17.50	0.77	17.75	0.84	18.00	0.96	18.25	1.05	18.25	1.13	18.25	1.20	18.00	1.19
<b>CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium</b>	15.25	0.08	15.50	0.16	15.75	0.40	16.50	0.60	17.00	0.65	17.50	0.77	17.75	0.84	18.00	0.96	18.25	1.05	18.25	1.13	18.25	1.20	18.00	1.19
<b>MILK BASIS (\$/CWT) — 2017-22 PA BASIS AND AVG PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)</b>	PA	1.17	0.62	1.53	2.29	1.82	1.58	0.99	1.03	0.95	0.79	0.60	0.79											
<b>*AVG</b>	0.85	1.67	2.55	2.15	1.66	1.45	1.25	1.31	1.15	0.69	0.74	1.38												
<b>DMC OFFICIAL GROSS MARGINS per cwt(USDA All-Milk, com, alfalfa &amp; Ill. soybean, feed for ALL CLASSES of dairy cattle on farm) Updated with NEW prem. alfalfa feed cost</b>	DMC	SEP-22	OCT-22	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	TREND							
		8.62	10.71	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	↑↑							

U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report	SEP-22	OCT-22	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
	290.70	300.10	289.50	296.50	266.60	297.25	277.00	290.00	292.86	244.27	254.92	243.50	238.50	217.82	240.41	*231.7 ↓
<b>U.S. AVG. BRED COWS &amp; HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1265	1310	1290	1300	1250	1352	1342	1330	1400	1559	1502	1540	1500	1741	2108	*N/A
<b>U.S. AVG. FRESH COWS per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1384	1701	1526	1531	1436	1487	1493	1544	1469	1792	1615	1634	1643	1830	1988	*N/A

CORN FUTURES (\$/BU)	MAR-24	MAY-24	JUL-24	SEP-24	DEC-24	MAR-25	MAY-25	JUL-25	SEP-25	DEC-25	MAR-26	MAY-26	TREND
	4.522	4.624	4.706	4.752	4.822	4.932	4.986	5.004	4.872	4.876	4.962	4.994	↑↑
WEEK AGO	4.420	4.536	4.624	4.676	4.750	4.860	4.916	4.930	4.830	4.832	4.920	4.962	

SOYMEAL FUTURES (\$/TON)	MAR-24	MAY-24	JUL-24	AUG-24	SEP-24	OCT-24	DEC-24	JAN-25	MAR-25	MAY-25	JUL-25	AUG-25	TREND
	363.3	363.0	365.8	365.7	364.6	362.1	363.6	363.7	362.2	361.8	363.0	360.9	↑↑
WEEK AGO	358.7	356.1	358.1	358.0	356.5	354.4	356.0	356.1	354.9	354.7	356.0	354.1	

* = NEW PA MILK MARGIN & IOFC - LATEST PSU VALUES - *OCT. 2023	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)	CME DAIRY CASH-SETTLED FUTURES (\$/LB) 01/24/24	SPOT CASH 01/24/24	TREND
<b>FEED = \$/CWT. *OCT. (estimated) *7.63 ↓</b>		<b>*11.38 ↑</b>	<b>*17.10 ↑</b>	<b>NFDM 1.200</b>	<b>1.254 ↓</b>	<b>1.1925 NC</b>
<b>IOFC = PREV MO 8.02</b>		<b>10.11</b>	<b>16.13</b>	<b>WHEY 0.435</b>	<b>0.462 ↑</b>	<b>0.4425 ↑</b>
<b>\$/COW YR AGO 9.21</b>		<b>13.26</b>	<b>20.18</b>	<b>BUTTER 2.615</b>	<b>2.657 ↑</b>	<b>2.5775 NC</b>
Covers ONLY lactating feed, based on 75 lb herd avg, Buff., NY soy price				<b>CHEESE 1.523</b>	<b>1.800 ↓</b>	See Below
				<b>CME SPOT CHEESE: BARRELS 1.4575 / 40 LB BLOCKS 1.5000</b>		↓ / NC

**USDA SEP-23 NEW ALL-MILK BF MAILBOX	* = NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)	CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW
FL \$24.70 3.83 \$23.08	<b>* CL I ADV ↓↓ CL II ↓↓ CL III ↓↓ CL IV ↓↓ ALL-MILK-U.S. ALL-MILK-PA</b>	<b>WEIGHTED AVG. 4-WK DEC. 1-30, 2023</b>
SE \$24.20 3.84 \$22.11	<b>*17.99(FEB) 19.88(DEC) 16.04(DEC) 19.23(DEC) 21.70(NOV)↑ 23.10(NOV)↑</b>	<b>PRODUCT VALUE MAKEALLOW NET DEC. 2023 COMPONENTS</b>
APP \$24.20 3.92 \$21.55	MONTH AGO	<b>CHEESE 1.6234 0.2003 1.4231 ↓↓ PROT 1.4499 ↑↑</b>
N-ENG \$22.20 4.08 \$21.35	YEAR AGO	<b>BUTTER 2.6305 0.1715 2.4590 ↓↓ B.FAT 2.9778 ↓↓</b>
NY \$21.90 4.05 \$21.16		<b>NFDM 1.1924 0.1678 1.0246 ↑↑ N.FAT 1.0144 ↑↑</b>
OH \$21.70 3.36 \$20.97		<b>DRYWHEY 0.4168 0.1991 0.2177 ↑↑ OTHER 0.2242 ↑↑</b>
MO N/A N/A \$20.87		
Peast \$21.50 4.01 \$20.85		
CA \$21.30 4.12 \$20.65		
W-OR \$23.00 4.20 \$20.53		
Western PA only \$20.52		
IN \$21.40 3.86 \$20.40		
IL \$20.90 4.03 \$20.38		
U.S. \$21.00 4.08 \$20.22		
MI \$20.30 4.01 \$19.78		
WI \$20.50 4.30 \$19.62		
MN \$19.80 4.01 \$19.51		
TX \$21.30 4.13 \$19.32		
IA \$19.80 4.20 \$19.02		
NEKS \$19.70 4.11 \$18.79		
NM \$19.20 3.88 \$17.96		

CATTLE - DAIRY PURPOSES (\$/HD) JAN. 10, 2024, New Holland PA Receipts down slightly from a year ago, but over half (58%) were fresh milking cows and springer cows and heifers, 22% bred cows and heifers, 9% open heifers. Prices \$100-200 lower, except bred cows higher.	COWS: Fresh 1975	Bred Springing 1900	HEIFERS: Bred Springing 1750 LTD	Beef x 1700	Open: 300-600 lbs Beef x 700	600-900 lbs Beef x 825	900-1100 lbs Beef x N/A	BULLS (800-1300 lbs) N/A
MONTH PRIOR	2075	1600	2125	1650	2100	N/A	975	1350
YEAR AGO	2075	1600	2125	1650	2100	N/A	975	1350

PA Auction Markets Jan. 18-23, 2024	FED HOLSTEIN STEERS (\$/CWT LIVWEIGHT)	CURRENT Beef X	2 WEEKS AGO	YR AGO
<b>CULL MARKET COWS \$/CWT LIVWEIGHT</b>	Choice & Prime 1250-1550 lbs light test	152.00(Itd)	145.00	122.10 ↑↑
<b>Premium White Breakers Boners Lean</b>	<b>BULL CALVES:</b> No. 1 & 2, 90-130 lbs	350.00 625.00	375.00 625.00	155.00 ↓↓
	70-85 lbs	400.00 710.00	410.00 675.00	140.00 ↓↓

Price averages do not include lower-end common

Average to high dressing

TWO WEEKS AGO: N/A 101.10 95.10 89.75

YEAR AGO: N/A 79.35 73.60 66.50

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