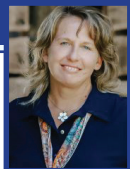


# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — MAR. 6, 2024 — except where noted



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## 2023 Pennsylvania Dairy Statistics:

Total dairy farm numbers were released in USDA's most recent Milk Production Report in late February. Dairy farm numbers fell 5.8% across the nation to 26,290 farms, while Pennsylvania's dairy farm numbers were down by only 1.2% at 4,940 farms. Pennsylvania remained second in the number of dairy farms, closing in on Wisconsin's dairyland, now at 5,920 dairy farms. Although Pennsylvania held relatively stable in the number of dairy farms, milk production in the Commonwealth did fall nearly 1% from a year ago to 9.859 billion pounds in 2023. Nationally, total milk production was down 0.1% to 226.364 billion pounds.

The average herd size in Pennsylvania crept up 1 cow to 94 cows per herd, while nationally the average herd size is 356 cows. When you look at the Top 7 dairy-producing states, which are, in order, California, Wisconsin, Idaho, New York, Texas, Michigan and Minnesota, the average herd size is nearly 500 cows. Milk production per cow in Pennsylvania in 2023 was at 21,157 pounds annually, about 2,960 pounds below the national average. Nationally, Pennsylvania is ranked 6th in the total number of milk cows and 8th in total milk production.

Milk production per cow is the one area where our Commonwealth continues to lose ground when compared to other major dairy states. With the 2023 numbers, Pennsylvania was the 32nd state in the ranking for milk production per cow. Comparably, when this report was released in 2004, Pennsylvania was ranked 9th in milk production per cow. Over the 20-year period, the U.S. average milk production per cow increased by 27%, while Pennsylvania's average milk production per cow increased by 15%. Michigan and Minnesota each have fewer cows than Pennsylvania, but both produced more total milk in 2023 than Pennsylvania. That's because average milk production per cow in those two states is significantly higher than it is in Pennsylvania.

The Center tracks data from DHI-tested dairy herds located in the Commonwealth in our Pennsylvania Dairy Performance Scorecard. The latest data from DHIA is from December, and it shows that milk production per cow on DHI-tested herds averages about 23,569 pounds, which is up about 8% in the past 5 years. The DHI-tested herds average about 2,500 pounds, or just over 7% more than the rolling herd average of all dairy

herds in Pennsylvania released by the USDA. This shows that the herds that intentionally monitor and measure their herd performance do, on average, have higher production levels than those that do not.

Many dairy farm financial advisors will tell you that the last 10 pounds a cow produces on your farm are typically the most profitable for your dairy. That is because you are spreading your "fixed costs," like your facility and overhead costs, over more pounds of milk. Each individual cow also has a "fixed cost," which is your cost to feed her what she needs for maintenance and health. If she is giving more milk, that fixed cost is spread over a higher level of milk production, which makes her a more profitable member of your herd.

Since 2019, some milk markets have placed base excess programs on their suppliers, which have limited farms' ability to grow, both in total milk production and in milk production per cow. However, many herds have gotten around those restrictions by increasing components per cow. Nationally, both butterfat and protein levels have been steadily increasing over the past few years. USDA's Mailbox Milk Price Report provides component test levels for each month. In the latest report from November 2023, butterfat levels were at 4.28%, while protein levels were at 3.38%. Consider comparing where your herd's component levels are to those national averages.

Getting to that next 10 pounds or those higher component levels is often in the details of your dairy operation. Having a well-balanced ration with high quality forages that meet your herd's performance levels is important. But being consistent with your protocols for both your milking procedures and your reproductive strategy can also make a huge difference. Cow comfort and foot health can also have a big impact on a cow's ability to reach her full potential to produce.

Some farms have found success in putting together a team of their key advisors — called a Profit Team — to help them identify opportunities and bottlenecks in maximizing their milk production. The Center does offer grants to cover discovery costs and meeting expenses associated with a Profit Team. Call Melissa Anderson at 717-788-0296 to learn more.

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 — MAR. 6, 2024 AT THE CLOSE

	MAR-24	APR-24	MAY-24	JUN-24	JUL-24	AUG-24	SEP-24	OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	TREND																	
<b>CLASS III MILK FUTURES (\$/CWT) vs. wk ago:</b> Mar-Jul24 down \$0.75-1.50, Aug-Dec24 down \$0.30-0.50, Jan-Feb25 fully steady.	16.53	16.00	16.51	17.22	17.71	18.12	18.40	18.33	18.30	18.00	18.11	18.00	12-Month Avg. 17.60 ↓↓																	
<b>CLASS IV MILK FUTURES (\$/CWT) vs. wk ago:</b> Mar24 generally steady, Apr-Dec24 down \$0.15-0.35, Jan25 up \$0.15, Feb25 down \$0.50.	19.99	19.80	19.96	20.20	20.55	20.76	21.00	21.19	21.17	20.86	19.76	19.28	12-Month Avg. 20.37 ↓↓																	
<b>CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium</b>	16.50	0.09	16.00	0.37	16.50	0.57	17.25	0.72	17.75	0.80	18.00	0.80	18.50	0.99	18.25	0.96	18.25	1.04	18.00	1.11	18.00	1.12	18.00	1.21						
<b>MILK BASIS (\$/CWT) — 2017-22 PA BASIS AND AVG PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)</b>	PA	1.53	2.29	1.82	1.58	0.99	1.03	0.95	0.79	0.60	0.79	1.17	0.62																	
<b>*AVG</b>	2.55	2.15	1.66	1.45	1.25	1.31	1.15	0.69	0.74	1.38	0.85	1.67																		
<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 NOV-22	10.89	9.76	JAN-23	7.94	FEB-23	6.19	MAR-23	6.08	APR-23	5.84	MAY-23	4.83	JUN-23	3.65	JUL-23	3.52	AUG-23	6.46	SEP-23	8.44	OCT-23	9.44	NOV-23	9.58	DEC-23	8.44	*JAN-24	*8.48	↑↑

	NOV-23	DEC-23	JAN-24	FEB-24	MAR-23	APR-23	MAY-23	JUN-23	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	*FEB-24
<b>U.S. AVG PREMIUM ALFALFA &amp; ALFALFA / GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report</b>	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	231.70	254.85	*224.50 ↓↓
<b>U.S. AVG. BRED COWS &amp; HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1290	1300	1250	1352	1342	1330	1400	1559	1502	1540	1500	1741	2108	N/A	1635	N/A
<b>U.S. AVG. FRESH COWS per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1526	1531	1436	1487	1493	1544	1469	1792	1615	1634	1643	1830	1988	*N/A	1792	N/A

	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
<b>CORN FUTURES (\$/BU)</b>	4.180	4.286	4.440	4.480	4.610	4.740	4.804	4.830	4.722	4.742	4.832	4.866	MIXED
<b>SOYMEAL FUTURES (\$/TON)</b>	334.9	330.4	333.4	334.1	334.6	334.3	337.3	338.7	339.3	340.7	343.2	343.0	↑↑

	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)	MAR24	APR24	MAY24	JUN24	JUL24	AUG24	SEP24	SPOT CASH	TREND
<b>PA MILK MARGIN &amp; IOFC-LATEST PSU VALUES - *DEC. 2023</b>	*DEC. (estimated)	*8.11 ↑↑	*10.27 ↓↓	*16.35 ↑↑	1.188	1.177	1.173	1.195	1.217	1.232	1.247	1.1500 ↓↓
<b>CME DAIRY CASH-SETTLED FUTURES (\$/LB) 03/06/24</b>	PREV MO	7.79	11.48	17.33	0.464	0.441	0.440	0.442	0.445	0.460	0.450	0.4100 ↓↓
<b>WHEY</b>	YR AGO	9.45	12.04	19.13	2.810	2.834	2.835	2.870	2.893	2.900	2.915	2.8500 ↑↑
<b>BUTTER</b>					1.640	1.599	1.655	1.724	1.782	1.820	1.840	See Below
<b>CHEESE</b>					<b>CME SPOT CHEESE: BARRELS 1.6250 / 40 LB BLOCKS 1.4900 ↓↓ / ↓↓</b>							

	CL I ADV	CL II	CL III	CL IV	*ALL-MILK-U.S.	*ALL-MILK-PA
<b>ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)</b>	18.80	20.53(FEB)	16.08(FEB)	19.85(FEB)	*20.10(JAN) ↓↓	*21.30(DEC) ↓↓
<b>CATTLE - DAIRY PURPOSES (\$/HD) JAN. 10, 2024, New Holland PA</b>	17.99	20.04	15.17	19.39	20.60	4.35F
<b>COWS: Bred cows and heifers, 9% open heifers. Prices \$100-200 lower, except bred cows higher.</b>	18.99	20.83	17.78	18.86	23.10	4.23F

	1975	1900	1750 LTD	1700	1800	700	825	N/A	975	1350	1150
<b>CATTLE - DAIRY PURPOSES (\$/HD) JAN. 10, 2024, New Holland PA</b>	2075	1600	2125	1650	2100	N/A	975	1350	1150	1150	1150
<b>CATTLE - DAIRY PURPOSES (\$/HD) FEB. 29-Mar. 5, 2024</b>	107.00	99.25	100.00								
<b>CATTLE - DAIRY PURPOSES (\$/HD) FEB. 29-Mar. 5, 2024</b>	94.00	88.75	82.10								

	Choice & Prime	BULL CALVES	70-85 lbs	149.75	550.00	875.00	575.00	885.00
<b>FED HOLSTEIN STEERS (\$/CWT LIVELWEIGHT)</b>	1250-1550 lbs light test	No. 1 & 2, 90-130 lbs	70-85 lbs	149.75	550.00	875.00	575.00	885.00
<b>CULL MARKET COWS (\$/CWT LIVELWEIGHT)</b>	Breakers Boners Lean							

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