

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — MAR. 20, 2024 — except where noted



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A reason to be vigilant: Commodity prices went on a roller coaster ride last week with news of an apparent illness affecting dairy cattle in Texas. The USDA and the Texas Animal Health Commission are currently investigating reported occurrences of the illness in the Texas Panhandle. No cause has been determined, but the Texas Animal Health Commission is conducting a full epidemiological investigation to learn more about the cause and transmission of the condition afflicting the cattle.

According to reports from local veterinarians, the most common clinical signs of the illness, which include reduced rumination, decreased feed consumption, and significantly reduced milk production, are appearing most often in mature lactating dairy cattle.

Clinical symptoms seem to appear in about 10 percent of a herd, with some affected animals returning to normal production levels while others are unable to return to significant production levels after recovery. In nearly all cases, the condition does not appear to be fatal.

As the state's animal health commission works with USDA and local veterinarians to identify the cause of the condition, they are providing information to stakeholders as it becomes available. Until that time, it is important to note that the apparent illness seems to be isolated to the Texas Panhandle region with no reported cases in the Northeast. However, it does speak to the need to practice biosecurity and be vigilant on all dairy farms as we await more information.

Having biosecurity protocols in place on your dairy operation should be an important part of your risk management strategy. Those farms participating in the National FARM (Farmers Assuring Responsible Management) Program can access the FARM Biosecurity materials at nationaldairyfarm.com/dairy-farm-standards-farm-biosecurity/ to learn more about what biosecurity should look like on your dairy. You can also talk with your veterinarian to develop biosecurity protocols and a plan for your dairy.

Basic biosecurity protocols you should follow include only purchasing animals from a reputable source. That is because diseases are more likely to be spread when animals are co-mingled among multiple sources. Bringing a new animal into your herd could expose your animals to dis-

eases that they have no immunity against. If you are bringing new animals into your herd, make sure they are properly vaccinated by requesting their health records. Also, keep them quarantined upon arrival to ensure no diseases are transmitted.

Making sure you have worked with your veterinarian to have a complete vaccination program in place on your herd is also important, even if you are not co-mingling cattle. Birds and other pests can introduce diseases into a closed herd. Vaccination programs should be developed specifically for an individual dairy farm, and protocols should be reviewed annually with your veterinarian to make sure there aren't any adjustments needed to your plan.

If you are shipping animals off your farm, make sure you are following the American Association of Bovine Practitioners "fitness for transport" protocols, which provide guidelines to assess whether an animal is acceptable and capable of being transported. Animals with noticeable signs of cancer or blindness, fevers of greater than 103 degrees Fahrenheit, drug residues, lameness, or other issues should not be transported.

Lastly, documenting who is coming in and out of your farm should be an important part of your everyday biosecurity plan. Consider posting biosecurity protocols and what your requirements for visitors are outside your barn door so visitors know what is expected before they enter. Encourage all visitors to either wear plastic boots or sanitize their shoes before entering and when exiting your facilities. Designate a spot to drop off supplies to keep visitors away from biosecure zones.

Anyone who has ever dealt with an infectious disease like calf pneumonia or staph aureus mastitis knows how difficult and expensive it can be to eradicate a disease from your herd. We can only imagine the level of stress and frustration the situation has created for those farms in Texas right now.

Although it is too soon to tell if this apparent illness will affect the broader dairy industry, it does serve as a reminder to all of us to be vigilant in practicing biosecurity on and off the dairy farm. If you do see symptoms in your herd that appear abnormal, please contact your veterinarian.

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. 20, 2024 AT THE CLOSE

*AVG =	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											
Average basis for North-East and Mid-East																								
CLASS III MILK FUTURES (\$/CWT) vs. wk ago: Mar-Apr20 weak to \$0.10 lower, May-Jul24 dn \$0.20, Aug24-Feb25 0.20-0.50 higher.	16.43	16.17	16.48	17.29	18.04	18.50	18.78	18.81	18.57	18.23	18.00	18.13	MIXED											
CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: Up \$0.05-0.20 across the board, except Oct24 and Dec24 \$0.05 lower, and Jan25 firm.	20.10	19.99	20.00	20.15	20.45	20.75	20.87	21.03	21.10	20.75	19.76	19.50	↑↑											
*MARGIN = Milk Price over Feed Cost per cwt. YELLOW = payment triggered																								
CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium	16.50	0.09	16.25	0.32	16.75	0.68	17.250	0.77	18.00	0.77	18.50	0.92	18.575	0.97	18.575	1.00	18.50	1.05	18.25	1.14	18.25	1.22	18.00	1.19
MILK BASIS (\$/CWT) — 2017-22 PA BASIS AND AVG PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)	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											
*AVG	2.55	2.15	1.66	1.45	1.25	1.31	1.15	0.69	0.74	1.38	0.85	1.67												
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	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	↑↑								

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

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
	4.390	4.522	4.616	4.746	4.886	4.956	4.982	4.866	4.882	4.974	5.012	5.040	↑↑
WEEK AGO	4.412	4.534	4.610	4.730	4.856	4.920	4.940	4.822	4.840	4.932	4.970	4.986	
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
	342.5	346.1	346.8	347.8	347.7	350.9	351.5	350.0	349.8	351.5	351.1	350.2	↑↑
WEEK AGO	336.4	340.4	341.1	341.9	341.6	344.6	345.4	344.5	344.6	346.5	346.2	346.6	

* = NEW PA MILK MARGIN & IOFC - LATEST PSU VALUES - *DEC. 2023	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)	CME DAIRY CASH-SETTLED FUTURES (\$/LB) 03/20/24	SPOT CASH TREND 03/20/24
FEED = \$/CWT. *DEC. (estimated)	*8.11↑↑	*10.27↓↓	*16.35↑↑	NFDM 1.189	1.175↓↓
IOFC = \$/COW	PREV MO 7.79	11.48	17.33	WHEY 0.472	0.4050↑↑
YR AYO	9.45	12.04	19.13	BUTTER 2.825	2.8375↓↓
<i>Covers ONLY lactating feed, based on 75 lb herd avg, Buff., NY soy price</i>				CHEESE 1.618	Mixed See Below

**USDA NOV-23 NEW* ALL-MILK BF MAILBOX	* = NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)	CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW
FL \$25.80 3.94 \$24.17	*CL I ADV↑↑ CL II↑↑ CL III↑↑ CL IV↑↑ ALL-MILK-U.S ALL-MILK-PA	WEIGHTED AVG. 4-WK FEB. 1-24, 2024
SE \$25.70 4.02 \$23.71	*19.18(APR) 20.53(FEB) 16.08(FEB) 19.85(FEB) 20.10(JAN)↓ 21.30(DEC)↓	PRODUCT VALUE MAKEALLOW NET
APP \$25.80 4.16 \$23.12	MONTH AGO	CHEESE 1.5947 0.2003 1.3944 ↑↑ PROT 1.2255↑↑
NY \$23.20 4.28 \$22.55	YEAR AGO	BUTTER 2.7339 0.1715 2.5624 ↑↑ B.FAT 3.1031↑↑
MO N/A N/A \$22.29		NFDM 1.2125 0.1678 1.0447 ↑↑ N.FAT 1.0343↑↑
PA \$23.10 4.24 \$22.28		DRYWHEY 0.4649 0.1991 0.2658 ↑↑ OTHER 0.2738↑↑
OH \$22.60 4.14 \$21.81		
IN \$22.80 4.17 \$21.64		
PAWestern PA only \$21.67		
WV \$19.80 4.26 \$19.62		
WV \$24.20 4.58 \$21.27		
U.S. \$21.70 4.32 \$20.80		
MI \$21.10 4.22 \$20.80		
IL \$21.70 4.31 \$20.53		
CA \$21.80 4.28 \$20.53		
NEKS \$20.50 4.37 \$19.78		
WI \$19.80 4.26 \$19.62		
TX \$21.50 4.38 \$19.60		
MN \$20.70 4.66 \$19.52		
IA \$19.60 4.52 \$19.37		
ND \$20.30 4.19 \$19.01		

CATTLE - DAIRY PURPOSES (\$/HD) NO REPORT HAS BEEN ISSUED SINCE JANUARY 10, 2024. BELOW ARE THE JANUARY 2024 PRICES COMPARED WITH DECEMBER 2023.	COWS: Fresh 1975	Bred 1900	Springing 1750 LTD	HEIFERS: Bred 1700	Springing 1800	Beef x 700	Open: 300-600 lbs Beef X 700	600-900 lbs Beef X 825	900-1100 lbs Beef X N/A	BULLS(800-1300lbs) N/A
MONTH PRIOR	2075	1600	2125	1650	2100	N/A	N/A	975	1350	1150
PA Auction Markets Mar. 14-19, 2024										
CULL MARKET COWS \$/CWT LIVELWEIGHT										
Premium White Breakers Boners Lean	120.00↑↑	109.75↑↑	109.35↑↑							
WEEK AGO	N/A	109.85	107.60							
YEAR AGO	N/A	93.75	85.75							

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