

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — APRIL 10, 2024 — except where noted



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Say Cheese, Please: The Class III milk futures prices have been rebounding since the beginning of April, thanks to recent reports that point to an increasing demand for cheese. Since April 1, Class III milk futures for April through July contracts are up 60 cents per hundredweight, now at \$16.92 per hundredweight, with the price per pound for Cheddar cheese blocks up 12 cents.

USDA did announce the March Class III milk price at \$16.34 per hundredweight, up 26 cents from February but still \$1.76 lower compared with year-ago levels.

In contrast, the March Class IV price was announced at \$20.09 per cwt., up 24 cents from February and \$1.71 above year ago levels.

Some of the recent momentum in Class III milk prices and cheese prices came after USDA released the latest Dairy Products Report last week. After accounting for the extra day in February during Leap Year, butter production was up 1.9% from a year ago to 197.62 million pounds. However, total cheese production fell 0.6%, dropping to 1.13 billion pounds in February. Production of American style cheeses was down 4.7% from a year ago, while Cheddar cheese production, alone, was down 7.2% from last February. Italian style cheese production, however, was up 0.8% from a year ago.

At the same time, U.S. cheese exports are increasing. In the U.S. Dairy Export Council's latest report, year-to-date cheese exports are up 27% from a year ago to 41,854 metric tons (MT), which is only the second time in history that the U.S. exported more than 40,000 MT in a single month. On a daily basis, cheese exports were their strongest ever in February 2024. The increase in cheese exports drove all U.S. dairy exports sales over year-ago levels, with milk solid equivalent exports up 3.7% from a year ago.

Shredded cheese sales overseas are driving much of the growth, with that category up 37% from a year ago. Cheddar cheese sales overseas are up 34%, at their highest volume since March 2023, and shipments of other cheeses were up 41%. Latin America is the largest destination for U.S. cheese exports, with shipments to Mexico up 60% from a year ago

and shipments to Central America up 45%. Shipments to China are also up, increasing 40% year over year.

The increasing global demand for American cheeses builds on America's ongoing love affair with cheese. While per capita consumption numbers for dairy are released annually in the fall, per capita cheese consumption in 2022 reached a new all-time high at 42 pounds per person, up 1.3% from the previous year. While cheese per capita consumption was up in 2022, per capita consumption of all dairy products was down slightly in 2022, falling 1.3%.

With more cheese plants coming online in the next couple of years, global and domestic demand for cheese will have to stay strong to keep up with the increasing capacity.

The latest USDA Cold Storage Report does show cheese stocks building slightly. For February, cheese inventories were up 1.7% from a year ago to 1.46 billion pounds, while American cheese stocks were up 2.9% from a year ago but down 7% from the prior month. Other type cheeses were up 1% from a year ago. Butter inventories were up 19% from the prior month and up 1% from a year ago to 295 million pounds in February.

The news of highly pathogenic avian influenza in dairy cattle (also called Bovine Influenza A) in other states across the U.S. continues to raise biosecurity concerns here in Pennsylvania.

Pennsylvania did release a quarantine order last week outlining the requirements around cattle movements in light of the concerns around the virus spread. The Center will continue to host weekly conference calls on Wednesdays at 1 p.m. to provide a forum to Animal Health professionals to share information and answer questions.

To join the conference call, dial 301-715-8592 and use 813 6659 8116 as the Meeting ID and 162069 as the passcode.

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 — APR. 10, 2024 AT THE CLOSE

*AVG = Average basis for North-East and Mid-East	APR-24	MAY-24	JUN-24	JUL-24	AUG-24	SEP-24	OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	TREND		
CLASS III MILK FUTURES (\$/CWT) vs. wk ago: Apr24 up \$0.05, May-Jul24 up \$0.60-\$1.00, Aug-Dec24 firm-\$0.15 up, Jan-Mar25 weak-\$0.05 lower.	15.47	16.62	17.13	17.64	17.98	18.30	18.40	18.25	17.89	17.80	17.85	17.90	12-Month Avg. 17.60 ↑↑		
CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: Apr-Dec24 firm-\$0.20 higher, Jan-Mar25 up \$0.15-0.50.	20.06	20.33	20.50	20.92	21.16	21.36	21.58	21.59	21.13	20.26	20.22	19.75	12-Month Avg. 20.73 ↑↑		
CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium	15.50 0.06	16.75 0.51	17.25 0.72	17.75 0.86	18.00 0.91	18.25 0.96	18.50 1.10	18.25 1.11	18.00 1.21	17.75 1.04	17.75 1.06	18.00 1.20			
MILK BASIS (\$/CWT) — 2017-22 PA BASIS AND AVG PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)	PA 2.29	1.82	1.58	0.99	1.03	0.95	0.79	0.60	0.79	1.17	0.62	1.53			
*AVG YELLOW =	2.15	1.66	1.45	1.25	1.31	1.15	0.69	0.74	1.38	0.85	1.67	2.55			
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 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
	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	*9.44

U.S. AVG PREMIUM ALFALFA & ALFALFA/ GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report	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
	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	*205.02 ↓↓
U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report	1300	1250	1352	1342	1330	1400	1559	1502	1540	1500	1741	2108	N/A	1635	N/A	*N/A
U.S. AVG. FRESH COWS per head as reported by USDA Monthly National Dairy Comprehensive Report	1531	1436	1487	1493	1544	1469	1792	1615	1634	1643	1830	1988	*N/A	1792	N/A	*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
	4.342	4.456	4.546	4.702	4.830	4.900	4.932	4.850	4.884	4.972	5.014	5.044	↓↓
WEEK AGO	4.316	4.450	4.564	4.712	4.840	4.904	4.934	4.854	4.886	4.980	5.016	5.052	

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
	330.9	334.5	335.1	335.5	335.1	338.4	339.9	340.1	341.4	343.9	343.6	342.4	↓↓
WEEK AGO	330.0	333.6	334.8	336.0	336.1	339.6	341.2	340.9	342.0	344.7	344.6	343.6	

*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) 04/10/24	APR24	MAY24	JUN24	JUL24	AUG24	SEP24	OCT24	SPOT CASH	TREND
FEED = \$/CWT.	*DEC. (estimated) 8.11 ↑↑	*10.27 ↓↓	*16.35 ↑↑	NFDM	1.160	1.152	1.175	1.197	1.219	1.235	1.250	↑↑	1.1450 ↑↑
IOFC = \$/COW	PREV MO 7.79	11.48	17.33	WHEY	0.435	0.410	0.402	0.412	0.415	0.420	0.420	Mixed	0.3625 ↓↓
YR AGO	9.45	12.04	19.13	BUTTER	2.915	2.960	2.977	3.005	3.049	3.060	3.067	Mixed	2.9300 ↓↓
Covers ONLY lactating feed, based on 75 lb herd avg, Buff., NY soy prices				CHEESE	1.549	1.670	1.731	1.778	1.813	1.837	1.840	↑↑	See Below

*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)	CL I ADV ↑↑	*CL II ↑↑	*CL III ↑↑	*CL IV ↑↑	*ALL-MILK-U.S.	*ALL-MILK-PA	CURRENT FEDERAL ORDER VALUES (\$/LB) *NEW	WEIGHTED AVG. 4-WK FEB 26-MAR 30, 2024	*MAR. 2024 COMPONENTS	
	19.18 (APR)	*21.12 (MAR)	*16.34 (MAR)	*20.09 (MAR)	*20.60 (FEB) ↑↑	*21.90 (FEB) ↑↑	*CHEESE 1.6082	0.2003	1.4079 ↑↑	*PROT 1.1265 ↓↓
	18.80	20.53	16.08	19.85	20.10 4.35F	21.30 4.22F	*BUTTER 2.8457	0.1715	2.6742 ↑↑	*B.FAT 3.2385 ↑↑
	18.85	19.52	18.10	18.38	21.60 4.21F	22.70 4.14F	*NFDM 1.1863	0.1678	1.0185 ↓↓	*N.FAT 1.0083 ↓↓
							*DRYWHEY 0.4788	0.1991	0.2797 ↑↑	*OTHER 0.2881 ↑↑

CATTLE - DAIRY PURPOSES (\$/HD) USDA Reports, little data available, Northeast, Southeast, Midwest dispersal auction report averages (past 4 weeks)	COWS: Milking	HEIFERS: Bred	Springing	Beef x Open:	300-600 lbs	Beef X 600-900 lbs	Beef X 900-1100 lbs	BULLS (800-1300lbs)
	2500	N/A	2300	2600	1000	N/A	1250 1525	2200
YEAR AGO	1720 (NASS)	1425	1505	1475	N/A	N/A	N/A	1045

PA Auction Markets Mar. 28-Apr. 2, 2024	FED HOLSTEIN STEERS (\$/CWT LIVWEIGHT)	CURRENT	Beef X	WEEK AGO	YR AGO
CULL MARKET COWS (\$/CWT LIVWEIGHT)	Choice & Prime 1250-1550 lbs light test	N/A	189.75	N/A	134.00
Premium White	Bull Calves: No. 1 & 2, 90-130 lbs	575.00	825.00	620.00	950.00 225.00
Breakers	70-85 lbs	660.00	875.00	605.00	1020.00 200.00
Boners					
Lean					

Average to high dressing	WEEK AGO	YEAR AGO
N/A	120.00	118.00 117.35
N/A	91.75	81.25 69.75

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