

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

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



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**Sept. DMC margin highest on record:** The USDA announced September's Dairy Margin Coverage (DMC) margin at \$15.57 per hundredweight (cwt), the highest margin since the program's inception in 2019 (Table 1). The margin did not trigger indemnities at any coverage level. September's margin made a \$1.85 per cwt jump from August's margin of \$13.72. From September 2023's margin at \$8.44 per cwt to September 2024, there is an outstanding 84.5% jump.

At \$25.50 per cwt, September's all-milk price is the highest seen for program year 2024 and up 8.1% month over month. The last time the all-milk price reached this level was November 2022 at \$25.60. Total feed costs experienced a slight 5 cent per cwt bump from August's \$9.88 to \$9.93 in September. The last time feed costs were this low was December 2020 at \$9.66 per cwt. Alfalfa hay came in at \$227 per ton, down 21.2% year over year and 3.8% month over month. Alfalfa hay was the primary driver in keeping total feed costs down. Corn prices rose 14 cents per bushel or 3.6% from August at \$3.84 to September at \$3.98. While marginally up, it has been just under three years since corn prices were below \$4.00 per bushel. Soybean meal (SBM) followed a similar pattern with September seeing a \$2.94 per ton increase from August's \$343.40 to \$346.34.

Updated on Nov. 1, the Dairy Margin Coverage Decision Tool forecasts margins to drop to \$14.85 per cwt in October, then continuing their decline throughout the last quarter to \$13.30 in December. With September potentially marking the peak of 2024, projections show the all-milk price tapering off from October through November from \$25.14 to \$23.80 per cwt. The feed costs are estimated to climb to \$10.29 per cwt in October, then reach \$10.48 in November and December.

Rising feed cost projections are fueled by increasing price projections for corn, soybean meal, and premium/supreme alfalfa hay. Corn prices are forecasted to reach \$4.28 per bushel in October, then increase through December to \$4.32. In the same timeframe, corn prices are projected to increase 30 cents from September's \$3.98 per bushel to October at \$4.28, then rise 4 cents to \$4.32 in December. SBM price forecasts climb \$4.15 per ton from September's \$346.34 to \$350.49

in October. Forecasts show SBM prices increasing steadily into November at

\$351.48 per ton to \$353.66. Alfalfa hay projections convey a small bump from September to October, but moving into November, the DMC Decision Tool predicts a \$11 per ton bump to \$239. With these price estimates, margins are not projected to fall below the \$9.50 trigger price, no additional indemnities forecasted for the rest of 2024.

For a well-rounded overview of DMC, DRP, and other dairy price risk management programs, the Center recently hosted the last "Protecting Your Profits" webinar of 2024 titled "New Year, New Strategy: Capturing Opportunity and Managing Dairy Market Volatility." Featured guest speakers were Jacob Thompson and Andrew McCarty, Land O' Lakes Dairy Business Advisors. They provided insight into how the various risk management programs work and how dairy producers can utilize these tools to develop a comprehensive strategy. You can watch the recording at [www.centerfordairyexcellence.org/ppp](http://www.centerfordairyexcellence.org/ppp) or listen to the podcast-formatted version on Spotify, Apple, and Amazon Music.

Lastly, prioritizing herd health is key to protecting your farm's bottom line. That means understanding the scope of highly pathogenic avian influenza (HPAI) and what a positive case could mean for your milk production and herd health. With HPAI affecting poultry and dairy farms nationwide, the Center for Dairy Excellence and Penn Ag Industries Association will partner on Wednesday, Nov. 13, at 1pm to host a new, monthly Pennsylvania Agriculture HPAI Conference Call for producers and stakeholders from all animal agriculture industries. Panelists from state and federal agencies will provide updates on the current situation, surveillance, programs, and remaining proactive. You will get the chance to ask questions in real-time on the live call, or you can submit questions in advance by texting (717) 585-00766 or emailing [ctrfordairyexcellence@gmail.com](mailto:ctrfordairyexcellence@gmail.com). To add it your calendar or get the details to join, visit the Center's website under "Upcoming Events."

Prices change daily. This market information is an example for educational purposes. The market data shown below are compiled weekly by Farmshine, via CME & USDA reports.

## CME DAILY FUTURES & OPTIONS TRADING — NOV. 6, 2024 AT THE CLOSE

	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	TREND											
<b>CLASS III MILK FUTURES (\$/CWT)</b> vs. wk ago: <i>Class III milk futures fully \$0.25-\$0.50 lower across the board.</i>	19.97	19.04	19.18	19.19	19.22	19.05	19.03	18.95	19.00	19.00	19.06	19.18	12-Month Avg. 19.15 ↓↓											
<b>CLASS IV MILK FUTURES (\$/CWT)</b> vs. wk ago: <i>Nov-Dec24 up \$0.05-0.10; Jan-Feb25 dn \$0.05; Mar25 up \$0.25; Apr-Jun25 &amp; Nov25 firm; Jul-Oct25 dn \$0.15-0.30.</i>	21.06	21.23	20.94	21.23	21.30	21.40	21.40	21.40	21.26	21.12	21.10	21.40	MIXED											
<b>MILK BASIS (MAILBOX minus CLASS 3 \$/CWT)</b> 2018-23 AVG FOR NORTHEAST & MIDEAST STATES OF PA, NY, NEW ENGL., OH vs. <i>NAT'L AVERAGE - YOUR INDIVIDUAL BASIS WILL VARY</i>	20.58	20.17	20.25	19.64	19.22	18.75	18.82	18.25	18.96	18.48	18.64	18.27	18.52	18.15	18.68	18.38	18.65	18.35	18.62	18.41	19.27	18.75	20.20	19.76
<b>Mailbox</b>	19.07	19.07	17.30	17.30	16.81	16.81	16.03	16.03	16.98	16.98	17.31	17.31	17.33	17.33	18.16	18.16	18.16	18.16	17.59	17.59	17.60	17.60	18.72	18.72
<b>Class III</b>	1.51	1.10	2.95	2.34	2.41	1.94	2.79	2.22	1.98	1.50	1.33	0.96	1.19	0.82	0.52	0.22	0.49	0.19	1.03	0.82	1.67	1.15	1.48	1.04
<b>BASIS</b>																								

	DEC-24	MAR-25	MAY-25	JUL-25	SEP-25	DEC-25	MAR-26	MAY-26	JUL-26	SEP-26	DEC-26	DEC-27	TREND					
<b>CORN FUTURES (\$/BU)</b>	4.262	4.390	4.456	4.494	4.416	4.456	4.562	4.624	4.660	4.530	4.534	4.694	↑↑					
<b>SOYMEAL FUTURES (\$/TON)</b>	298.4	299.0	301.5	305.2	309.7	310.6	310.7	309.7	312.0	312.7	312.8	313.8	↓↓					
<b>U.S. AVG PREMIUM ALFALFA &amp; ALFALFA/GRASS HAY 20-22% CP</b> - Source: <i>USDA Monthly National Dairy Comprehensive Report</i>	244.27	254.92	243.50	238.50	217.82	240.41	231.70	254.85	224.50	205.02	220.17	175.00	211.69	185.21	196.44	*SEP-24	*199.57	↑↑

DMC	MAY-23	JUN-23	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	MAR-24	APR-24	MAY-24	JUN-24	JUL-24	AUG-24	*SEP-24	
<b>DMC OFFICIAL GROSS MARGINS per cwt (USDA All-Milk, com, alfalfa &amp; Ill. soybean, feed for ALL CLASSES of dairy cattle on farm)</b>	4.83	3.65	3.52	6.46	8.44	9.44	9.58	8.44	8.48	9.44	9.65	9.60	10.52	11.66	12.33	13.72	*15.57	↑↑
<b>ALL MILK</b>	19.30	17.90	17.40	19.70	21.00	21.60	21.70	20.60	20.10	20.60	20.70	20.50	22.00	22.80	22.80	23.60	25.50	↑↑
<b>FEED \$</b>	14.47	14.25	13.88	13.24	12.56	12.16	12.12	12.16	11.62	11.16	11.05	10.90	11.48	11.14	10.47	9.88	9.93	↑↑

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction (\$/LB) 11/05/24	U.S. CME SPOT DAILY (\$/LB) 11/06/24	U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 11/02/24*
<b>Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to \$/LB</b>	<b>Prev. 5 day Dly</b>	<b>FMMO PROD</b>
<b>NEXT GDT AUCTION 11/19/24</b>	<b>Spot price</b>	<b>MIL. LBS</b>
<b>ALL-PRODUCT INDEX</b> 1.8135↑↑ 4.8%	<b>Weekly Avg</b>	<b>WTED AVG \$</b>
<b>BUTTER</b> 3.1715↑↑ 8.3%	<b>NFD</b> 11	<b>MIL. LBS</b> 1.3600↑↑
<b>MILKFAI (AMF)</b> 3.4292↑↑ 4.6%	<b>BUTTER</b> 10	<b>WTED AVG \$</b> 2.7144↑↑
<b>BUTTERMILK POWDER</b> 1.4691↑↑ 2.1%	<b>CHEDDAR-40</b> 8	<b>CHEESE-40</b> 11.2
<b>LACTOSE</b> 0.3824↓ 6.1%	<b>CHEDDAR-500</b> 3	<b>CHEESE-500</b> 13.7
	<b>WHOLE POWDER (WMP)</b> 1.6846↑↑ 4.4%	<b>DRY WHEY</b> 4.8
		<b>DRY WHEY</b> 0.5834↑↑

ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) NASS ALL-MILK				CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW			
<b>CL I ADV</b> ↓↓	<b>CL II</b> ↓↓	<b>CL III</b> ↓↓	<b>CL IV</b> ↓↓	<b>*ALL-MILK-U.S.</b>	<b>*ALL-MILK-PA</b>	<b>*WEIGHTED AVG. 4-WK</b>	<b>OCT 1-26, 2024</b>
22.53(NOV)	21.01(OCT)	22.85(OCT)	20.90(OCT)	*25.50(SEP)↑↑	*25.70(SEP)↑↑	PRODUCT	VALUE
				4.15F	4.11F	CHEESE	2.2400
						BUTTER	2.7191
						NFD	1.3423
						DRYWHEY	0.5588
							0.1991

U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report														
AUG-23	1540	1500	1741	2108	N/A	1635	N/A	N/A	N/A	2115	2016	N/A	N/A	*2800
SEP-23	1634	1643	1830	1988	N/A	1792	N/A	N/A	2120	2254	1624	N/A	N/A	*2800

CATTLE - DAIRY PURPOSES (\$/HD) USDA and other East and Midwest auction reports combined 4-week rolling average as of NOV. 1, 2024												
<b>*MILK COWS (NASS) U.S. Avg.</b>	<b>FRESH</b>	<b>HEIFERS:</b>	Springing	Bred	Beef x	OPEN:	300-600 lbs	Beef X	600-900 lbs	Beef X	900-1100 lbs	<b>BULLS (800-1300 lbs)</b>
*\$2600 SEP-24 ↑↑	*\$2300 JUL-24	3300	3100	2800	2200	1200	1500	1400	N/A	2000	1800	
\$1850 SEP-23	\$1760 JUL-23	1475	1700	1400	1400	650	N/A	1000	N/A	1000	1100	

PA Auction Markets Oct. 31-Nov. 5, 2024				FED STEERS (\$/CWT LIVE)				BULL CALVES: No. 1 & 2, 90-130 lbs				
<b>CULL MARKET COWS (\$/CWT LIVELINE)</b>	Premium White	Breakers	Boners	Lean	Choice & Prime	1250-1550 lb	NO TEST	NO TEST	NO TEST	NO TEST	NO TEST	NO TEST
	123.75↓	119.25↓	108.35↓	108.35↓	70-85 lbs	585.00↑↑	800.00↓	550.00	875.00	355.00	675.00	
						600.00↑↑	935.00↑↑	575.00	925.00	375.00	710.00	

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