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# Cornell Cooperative Extension

Southwest NY Dairy, Livestock and Field Crops Program

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A partnership between Cornell University  
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Allegany, Cattaraugus, Chautauqua, Erie, and Steuben.

**Dairy Market Watch**  
Newsletter  
March 2024

An educational newsletter to keep producers informed of changing market factors affecting the dairy industry.

Milk Component Prices			Milk Class Prices				Statistical Uniform Price & PPD				
Month	Butterfat	Protein	I (Boston)	II	III	IV	Jamestown, NY		Albany, NY		Albany \$/gal. to farmer
Feb 23	\$2.71	\$2.36	\$24.03	\$20.83	\$17.78	\$18.86	\$19.60	\$1.82	\$20.20	\$2.42	\$1.74
Mar 23	\$2.73	\$2.41	\$22.24	\$19.52	\$18.10	\$18.38	\$18.78	\$0.68	\$19.38	\$1.28	\$1.67
Apr 23	\$2.70	\$2.56	\$22.10	\$19.20	\$18.52	\$17.95	\$18.62	\$0.10	\$19.22	\$0.70	\$1.66
May 23	\$2.75	\$1.80	\$22.82	\$19.11	\$16.11	\$18.10	\$18.31	\$2.20	\$18.91	\$2.80	\$1.63
Jun 23	\$2.76	\$1.51	\$21.26	\$18.83	\$14.91	\$18.26	\$17.46	\$2.55	\$18.06	\$3.15	\$1.56
July 23	\$2.79	\$1.19	\$20.57	\$19.12	\$13.77	\$18.26	\$17.08	\$3.31	\$17.68	\$3.91	\$1.52
Aug 23	\$3.02	\$2.08	\$19.87	\$19.91	\$17.19	\$18.91	\$18.28	\$1.09	\$18.88	\$1.69	\$1.63
Sep 23	\$3.12	\$2.30	\$22.15	\$19.98	\$18.39	\$19.09	\$19.27	\$0.88	\$19.87	\$1.48	\$1.71
Oct 23	\$3.71	\$1.04	\$22.72	\$21.95	\$16.84	\$21.49	\$20.05	\$3.21	\$20.65	\$3.81	\$1.78
Nov 23	\$3.46	\$1.32	\$23.00	\$21.21	\$17.15	\$20.87	\$19.59	\$2.44	\$20.19	\$3.04	\$1.74
Dec 23	\$2.97	\$1.44	\$23.01	\$19.88	\$16.04	\$19.23	\$18.56	\$2.52	\$19.16	\$3.12	\$1.65
Jan 24	\$2.97	\$1.12	\$21.73	\$20.04	\$15.17	\$19.39	\$18.16	\$2.99	\$18.76	\$3.59	\$1.62
Feb 24	\$3.10	\$1.22	\$21.24	\$20.53	\$16.08	\$19.85	\$18.54	\$2.46	\$19.14	\$3.06	\$1.65

**February Utilization (Northeast): Class I = 29.8%; Class II = 25.2%; Class III = 30.4%; Class IV = 14.6%.**  
*Class I = fluid milk; Class II = soft products, cream, and yogurt; Class III = cheese (American, Italian), evaporated and condensed products; Class IV = butter and milk powder.*

**Dairy Commodity Markets** (Excerpt from USDA Dairy Market News – Volume 91, Report 12, March 22nd, 2024)

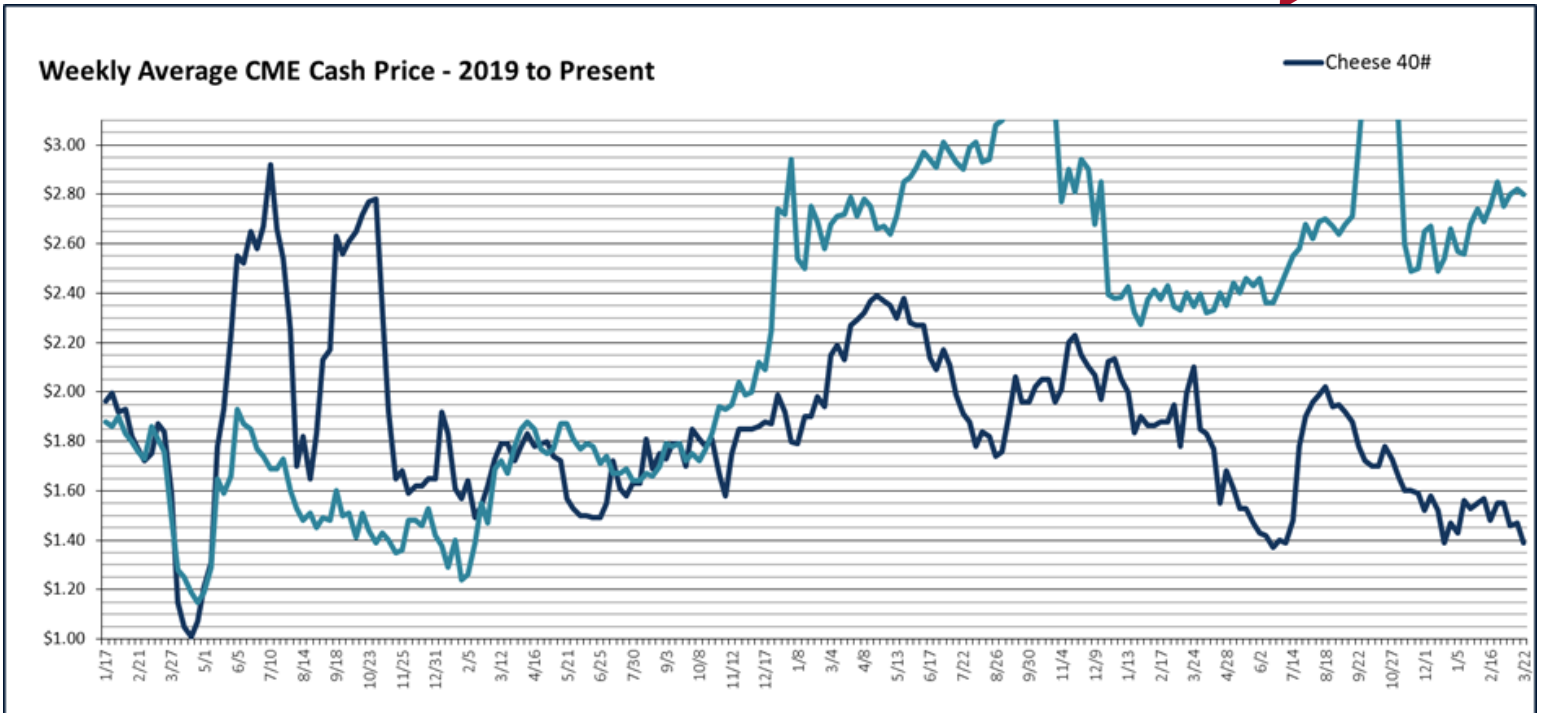
**Dry Products:** Low/medium nonfat dry milk (NDM) prices moved lower on both ends of the Central and East range and the bottom end of the West range. Dry buttermilk prices held steady, aside from downward price movement for the bottom end of the Central and East range. A few manufacturers note lighter drying schedules due to some weaker interest from buyers. Dry whole milk prices stayed firm. Inventories are tight.

**Cheese:** Milk production continues to trend higher in the East region. Cheese plant managers note that production schedules are steady. Inventories remain comfortable as cheese demand remains quiet. Contacts share retail demand is increasing. Some contacts share current market conditions are weakening export demand.

**Butter:** Retail demand is strong to steady across the nation. However, stakeholders note interest for securing loads for the spring holiday season varies from picking up slowly to steady. Food service demand is flat to weaker. Cream is readily available throughout most of the country. Butter production is mixed. In the East, various butter makers indicate churning varies from as much as possible to as minimal as possible.

**Fluid Milk:** Milk production is steady to stronger throughout the country. Open processing capacities are tight in some parts of the country. Balancing plants are busier with heavier milk volumes as the nation cycles through session breaks at educational facilities. Class I demand is lighter. Class II, III, and IV demands are strong to steady. Condensed skim availability is looser.

Friday CME Cash Prices					
Dates	2/23	3/1	3/8	3/15	3/22
<b>Butter</b>	\$2.85	\$2.75	\$2.80	\$2.82	\$2.80
<b>Cheese (40# Blocks)</b>	\$1.55	\$1.55	\$1.46	\$1.47	\$1.39



### Selected quotes from the National Milk Producers Federation Dairy Market Report

Volume 27, Issue 3, 3/20/2024: <https://www.nmpf.org/key-dairy-statistics-reveal-continued-production-decline/>

Sluggish U.S. milk production is showing up in other key dairy industry statistics, including scant milk solids production growth, flat to declining production of major dairy products, and a general drawdown of product inventories.

The modest level of stock drawdowns and stagnant milk and dairy product prices indicates that the market is currently broadly balanced, with lower milk production, flat milk solids production and growth in overall domestic use, offset by continued weakness in exports, resulting in flat growth in total use. Stronger total demand and/or further reductions in milk production will be needed to bring higher milk prices faster.

January milk production was 1.1 percent lower than the previous January. This was the largest drop in the current seven-month period of annually lower production. Total production during those months was down from a year earlier by 0.8 percent, while production per cow was 0.2 percent lower.

Seasonal stocks of butter rose from December to January, as the highly seasonal product always does. This year's rise was 50 million pounds, slightly more than the 46 million pound average for the prior years

since 2000. Stocks of the major cheese categories, as well as those for the various dry skim ingredient products, are either trading water or else moderately dropping month-to-month in recent months, with none showing signs of significant and systematic buildup.

The current USDA 2024 forecast for US milk production, 227.3 billion pounds, would represent the lowest leap-year adjusted milk production growth over a contiguous span of three years - a gain of only 0/2 percent from 2021 - since 1975.

By contrast, with the exception of fairly consistent increases in its butter and Class IV price forecasts, the department has varied widely in raising and lowering its calendar-year 2024 WASDE forecasts of product and Class prices and the all-milk price. Even so, as of mid-March, WASDE, the DMC Decision Tool on the USDA DMC website, and the CMW futures were all forecasting somewhat less than a \$1 per cwt increase in the 2024 U.S. average all-milk price from last year's average.

Mid-March CME futures indicated the DMC margin would average at least \$4/cwt higher in 2024 than last year's average of \$6.70/cwt.