

swnyteam@cornell.edu

Cornell Cooperative Extension

Southwest NY Dairy, Livestock and Field Crops Program

swnydlfc.cce.cornell.edu



Prepared by Katelyn Walley-Stoll
Farm Business Management Specialist
716-640-0522 · kaw249@cornell.edu
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Allegany, Cattaraugus, Chautauqua, Erie, and Steuben.

Dairy Market Watch
Newsletter
April 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
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
Mar 24	\$3.23	\$1.12	\$22.05	\$21.12	\$16.34	\$20.09	\$19.03	\$2.69	\$19.63	\$3.29	\$1.69

March Utilization (Northeast): Class I = 28.1%; Class II = 25.2%; Class III = 30.9%; Class IV = 15.8%.

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 17, April 26th, 2024)

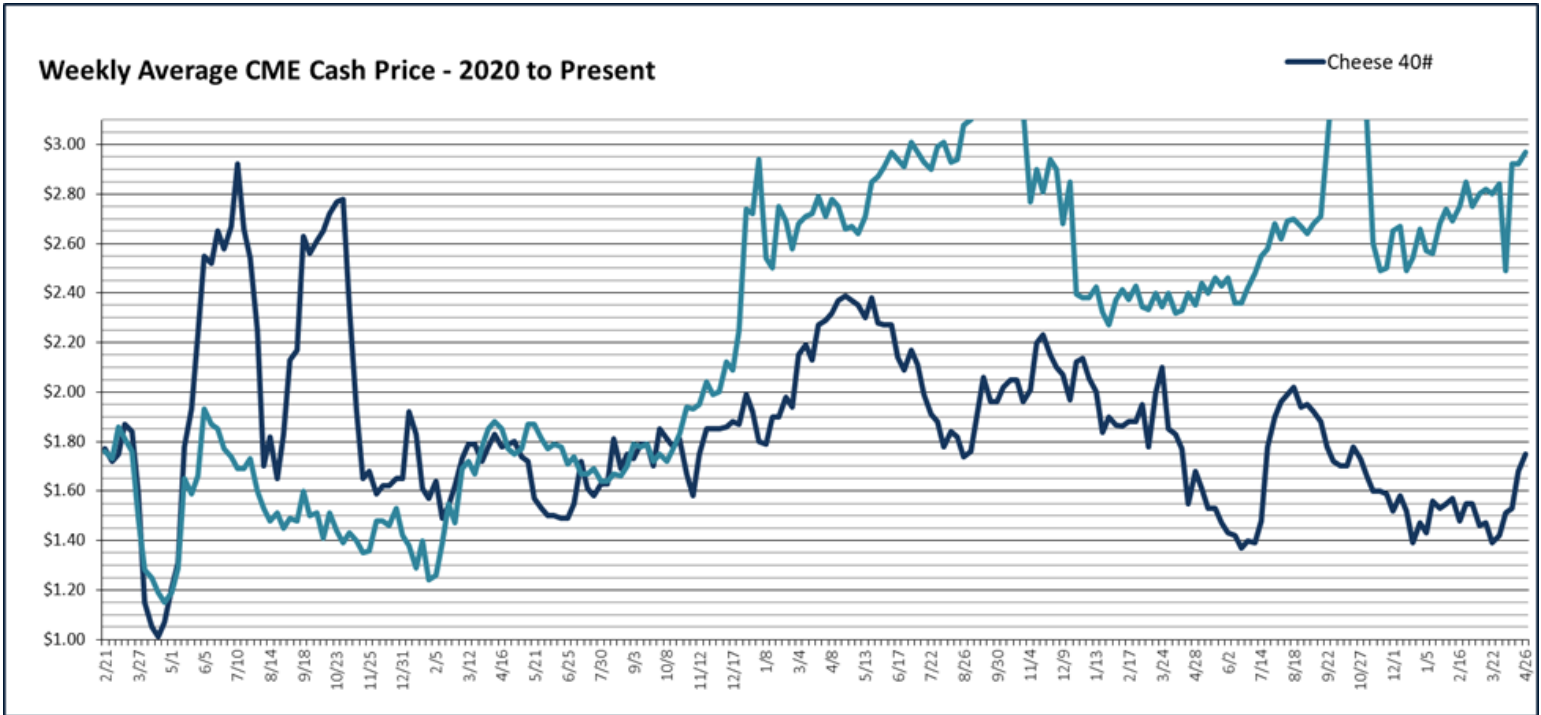
Dry Products: Low/medium heat nonfat dry milk (NDM) prices moved lower this week, though contacts say demand varies from region to region. High heat NDM moved lower in the West and at the bottom of the Central and East region price range. Plant managers report liquid buttermilk is available for drying amid strong butter production. Dry whole milk prices moved lower this week.

Cheese: Cheese production schedules are trending steady to stronger throughout the US. Some Eastern cheese plant contacts share that seasonally strong milk availability has enabled steady cheese production. Cheese inventories in the area are comfortable, but demand has increased in recent weeks, as have prices for both blocks and barrels on the CME. Foodservice demand is light. Retail demands in the region are steady to higher.

Butter: In the East region, foodservice demand is unchanged, and retail demand is following seasonal expectations. Cream is widely available throughout the country, and some butter manufacturers convey securing additional cream volumes. Butter makers are running busy production schedules and continue to build bulk butter inventory for late summer and fall needs.

Fluid Milk: Throughout the East region, and much of the West region, milk output is steady to stronger, though contacts in the mountain states of Idaho, Utah, and Colorado say production varies from slightly weaker to strengthening. In the East, contacts relay Class I demand is steady to strong, but contacts in the Midwest report Class I intakes are nearing the end of the 2023/2024 school year. Class II demand is expected to pick up soon in the Northeast and Pacific Northwest.

Friday CME Cash Prices					
Dates	3/28	4/5	4/12	4/19	4/26
Butter	\$2.84	\$2.49	\$2.92	\$2.92	\$2.97
Cheese (40# Blocks)	\$1.42	\$1.51	\$1.53	\$1.68	\$1.75



Selected quotes from the Livestock, Dairy, and Poultry Outlook

April 17, 2024, LDP-M-358: <https://www.ers.usda.gov/webdocs/outlooks/109025/ldp-m-358.pdf?v=5829.2>

The 2024 dairy herd size forecast is 9,355 thousand head, unchanged from the previous month. Anticipated lower yield per cow throughout the year has led to a reduction of 100 pounds per head, now forecast at 24,245 pounds. Consequently, the revised milk production forecast for 2024 is 226.3 billion pounds, a decrease of 1.0 billion from the previous month's estimate.

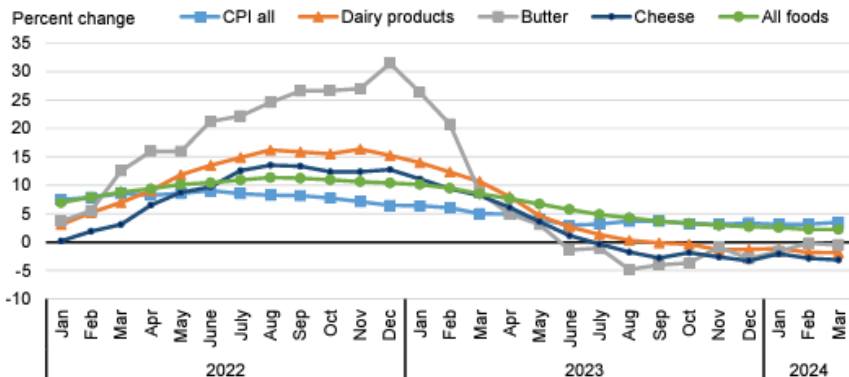
The 2024 dairy export forecast on a milk-fat basis has been raised 0.2 billion pounds to 11.3 billion based on expected strong international demand. The export forecast on a skim-solids basis is lowered to 49.7 billion pounds (-0.3 billion). In 2024, export shipments of skim milk powder, cheese, and butter are expected to increase, while those of dry whey products and lactose are anticipated to decrease.

Dairy imports were adjusted upward from last month's forecast. On a milk-fat basis, dairy import projections in 2024 were raised to 8.0 billion pounds (+0.3 billion), while on a skim solids basis imports were raised to 6.8 billion pounds (+0.1 billion). Higher import volumes of products such as cheese, butter, infant formula, yogurt, dry whey products, and canned milk are anticipated for 2024.

The 2024 forecast for domestic disappearance has been lowered from last month's projection. On a milk-fat basis, domestic use decreased by 1.7 billion pounds, bringing the total to 223.0 billion pounds. On a skim-solids basis, the domestic use forecast declined by 0.5 billion pounds, totaling 182.9 billion pounds.

Based on recent mixed price trends, the adjusted forecasts, in dollars per pound for dairy products, are as follows: Cheddar cheese \$1.620 (-9.0 cents), dry whey \$0.425 (-2.50 cents), butter \$2.925 (+12.5 cents), and NDM \$1.180 (-3.0 cents). With lower cheese and dry whey prices, the new forecast for Class III milk is \$16.20 per cwt, \$0.95 lower than the previous forecast. With higher butter price projections more than offsetting lower NDM prices, the Class IV price forecast has been raised to \$20.40 per cwt, \$0.30 higher than the previous projection. The all-milk price for 2024 is now forecast at \$20.90 per cwt, down \$0.35 from last month's forecast. ■

Percentage change in the Consumer Price Index (CPI), general, all foods, all dairy products, butter and cheese



Source: USDA, Economic Research Service using data U.S. Department of Labor, Bureau of Labor Statistics.