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Cornell Cooperative Extension

Southwest NY Dairy, Livestock and Field Crops Program

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Funded by PRO-DAIRY.

A partnership between Cornell University
and the CCE Associations in these five counties:
Allegany, Cattaraugus, Chautauqua, Erie, and Steuben.

Dairy Market Watch
Newsletter
September 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
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
Apr 24	\$3.33	\$0.83	\$22.43	\$21.23	\$15.50	\$20.11	\$18.94	\$3.44	\$19.54	\$4.04	\$1.68
May 24	\$2.46	\$1.73	\$21.71	\$21.50	\$18.55	\$20.50	\$19.74	\$1.19	\$20.34	\$1.79	\$1.75
June 24	\$3.54	\$2.05	\$23.33	\$21.60	\$19.87	\$21.08	\$20.68	\$0.81	\$21.28	\$1.41	\$1.85
July 24	\$3.57	\$1.94	\$24.36	\$21.82	\$19.79	\$21.31	\$21.11	\$1.32	\$21.71	\$1.92	\$1.87
Aug 24	\$3.56	\$2.17	\$24.57	\$22.05	\$20.66	\$21.58	\$21.49	\$0.83	\$22.09	\$1.143	\$1.90

August Utilization (Northeast): Class I = 28.1%; Class II = 27.6%; Class III = 30.7%; Class IV = 13.6%.
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 39, September 27th, 2024)

Dry Products: Low/medium heat nonfat dry milk (NDM) prices were steady in the West, while steady to higher in the Central and East regions. NDM markets are firm, as recently produced stocks are moving quickly. Dry buttermilk prices were higher in the West, while steady to higher in the Central and East. Domestic demand has perked up in recent weeks. Dry whole milk prices were lower to steady. Dry whey prices were mixed.

Cheese: Cheese production remains mixed throughout the country. In the East, limited milk availability has tempered cheese production schedules. Contacts in the region say current cheese price points have dissuaded some customers, and demand is quiet. Cheesemakers in the Central region continue to note extended plant downtime. While milk availability remains tight, plant downtime has freed up some milk volumes to cheesemakers. Spot milk prices ranged from \$1.50 below Class to \$3.50 above Class. Mozzarella demand is reportedly strong. Overall, spot cheese inventories, namely for barrel cheeses, remain tight.

Butter: Retail and food service butter demand is steady in the East. Cream volumes are widely available throughout most of the country. Some plant downtime in the Midwest is noted as contributing to more abundant cream availability. Butter production varies from steady to strong across the nation. Churns are building stocks ahead of Q4 maintenance projects and holiday period demands yet to come.

Fluid Milk: Farms across the United States are seeing varied volumes of milk production. East region milk producers are seeing steady to lighter milk production. All regions are experiencing strong Class I demands for seasonal bottling needs. Milk demand from Class II and III is mixed in the East with stronger demand in the Northeast. Cream is readily available across the country. The All-Class cream multiples range contracted over most of the country this week. Some processors have reported turning away spot cream offers.

Friday CME Cash Prices					
Dates	8/30	9/6	9/13	9/20	9/27
Butter	\$3.17	\$3.17	\$3.13	\$2.97	\$2.73
Cheese (40# Blocks)	\$2.21	\$2.27	\$2.27	\$2.23	\$2.11

Weekly Average CME Cash Price - 2020 to Present

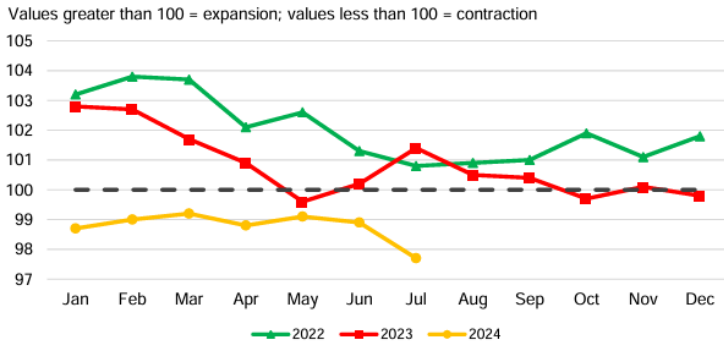


Selected quotes from the Livestock, Dairy, and Poultry Outlook

September 18, 2024, LDP-M-363:

<https://downloads.usda.library.cornell.edu/usda-esmis/files/g445cd121/js958775n/kp78j918v/LDP-M-363.pdf>

The restaurant performance index



Source: USDA, Economic Research Service using information from the National Restaurant Association.

The recent decline in the food service sector, particularly restaurants, may be also underlying the decline in the domestic consumption of dairy products. The National Restaurant Association's Restaurant Performance Index (RPI) has been

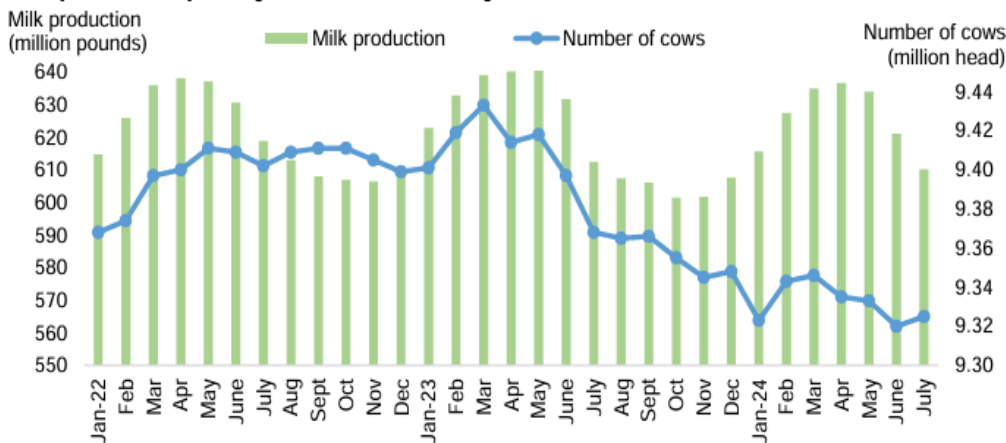
consistently lower in 2024 compared to the previous year, suggesting that restaurants are facing challenges such as reduced consumer spending, rising costs, and shifts in consumer preferences, all of which are likely impacting demand for dairy products from the foodservice sector.

According to the USDA's National Agricultural Statistics Service (NASS), milk production in the United States totaled 18.915 billion pounds (610 million per day) in July 2024, 0.4 percent lower than July 2023. Milk cows on farms averaged 9.325 million head in July, down 43,000 head from July 2023 and 5,000 cows above the previous month. The average milk production per cow was 2,028 pounds in July 2024, up 1 pound from last year.

The 2024 forecasts for the average number of milk cows, milk per cow, and total milk production are lowered to 9.335 million (- 5,000) head, 24,200 (-30) pounds, and 225.9 (-0.4) billion pounds, respectively. The downward revisions are in line with

recent inventory and production data. With recent dairy price developments, the 2024 wholesale-price forecasts for all dairy products are raised. Overall, the 2024 forecast for the all-milk price is raised to \$23.05 (+\$0.75) per hundredweight (cwt). The 2025 forecast for milk production is revised downward, due to lower expected milk per cow. The projection for the average number of dairy cows is unchanged. The 2025 wholesale-price forecasts for all dairy products are revised upward. The all-milk price for 2025 is now forecast at \$23.45 per cwt, up \$0.70 from last month's forecast. ■

Milk production per day and number of dairy cows



Source: USDA, Economic Research Service calculations using information from USDA, National Agricultural Statistics Service.