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Cornell Cooperative Extension

Southwest NY Dairy, Livestock and Field Crops Program

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

Dairy Market Watch
Newsletter
November 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
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
Sep 24	\$3.61	\$2.92	\$24.85	\$22.40	\$23.34	\$22.29	\$22.42	\$(0.92)	\$23.02	\$(0.32)	\$1.98
Oct 24	\$3.08	\$3.32	\$26.42	\$21.01	\$22.85	\$20.90	\$21.78	\$(1.07)	\$22.38	\$(0.47)	\$1.93

October Utilization (Northeast): Class I = 30.9%; Class II = 26.7%; Class III = 29.0%; Class IV = 13.4%.
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 48, November 29th, 2024)

Dry Products: The holiday-shortened trading week did little to slow down market bulls for dried dairy ingredient markets this week. Prices were generally steady for low/medium heat and high heat nonfat dry milk (NDM) this week on limited reporting trading activity. Still, markets are viewed as firm as the final month of the year approaches. Dry buttermilk prices were steady to higher throughout the country.

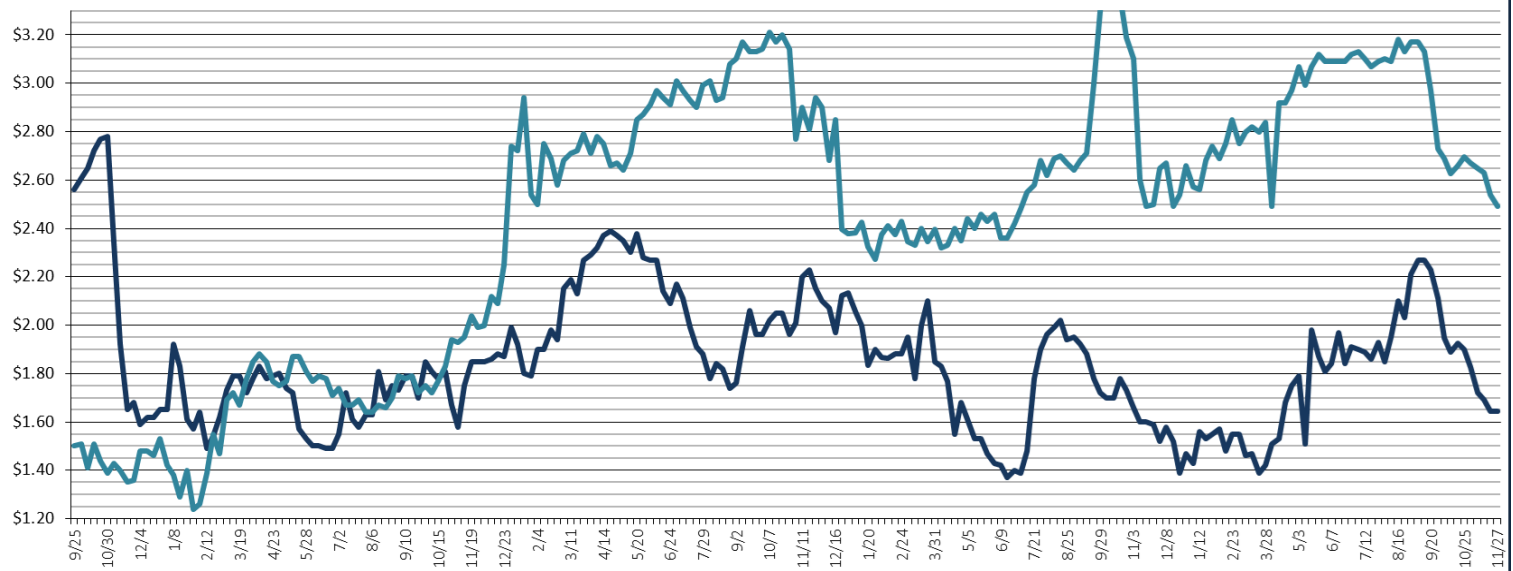
Cheese: Cheese manufacturing schedules remain varied throughout the U.S. In the East region, milk volumes remain somewhat snug. Cheese plant managers relay using all the milk available to them for production. Contacts in the region share retail demand remains strong. Cheesemakers in the Central region are running seasonally steady production schedules. Cheese plant managers share surplus milk loads are not as available as they have been during previous Thanksgiving weeks. Spot milk loads were reported at \$3 below Class III to at Class. Both curd and barrel producers share demand is slightly quieter.

Butter: Butter demand is mixed for the holiday week. Although stakeholders in the Northeast note slightly tighter cream volumes, loads are readily available across most of the nation. Many butter producers are not looking to secure spot loads and turning away spot cream load offers. Like butter demand, butter production schedules are mixed for the holiday week also, with some butter producers noting various degrees of downtime for the final week of the month. A few butter manufacturers indicate shifting more of the production focus to bulk butter.

Fluid Milk: Farm level milk outputs are mixed across the country. Steady volumes are being seen in the East and Central regions as favorable weather and good feed quality contribute to milk production. Class I activity has been busy this fall. Demand for bottled milk has been strong over the past few months.

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

November 15th, 2024, LDP-M-365:

<https://www.ers.usda.gov/publications/pub-details/?pubid=110423>

The most recent USDA National Dairy Products Sales Report (NDPSR) shows that from the week ending October 5 to the week ending November 2, the direction of changes for wholesale dairy products prices was mixed. The prices for 40-pound blocks and 500-pound barrels (adjusted to 38-percent moisture) of Cheddar cheese declined by 26.27 and 50.98 cents per pound, respectively. Similarly, the price for butter declined by 18.75 cents per pound. Conversely, nonfat dry milk (NDM) and dry whey prices rose by 2.71 and 3.75 cents per pound, respectively.

Dairy exports increased year over year in September on strong international demand. On a milk-fat milk-equivalent basis, September dairy exports totaled 970 million pounds, 124 million pounds above September 2023.

Domestic use on a milk-fat basis totaled 57,091 million pounds in 2024-Q3, about 0.2 percent higher than 2023-Q3. Compared to 2023-Q3, in 2024-Q3 domestic use increased for butter and other-than-American cheese, while domestic use declined for dry skim milk, American cheese, dry whey, whey protein concentrate, and lactose.

Dairy products wholesale prices

Dollars per pound

	For the week ending		Change
	October 5	November 2	
Butter	2.9019	2.7144	-0.1875
Cheddar cheese			
40-pound blocks	2.2578	1.9951	-0.2627
500-pound barrels *	2.5137	2.0039	-0.5098
Nonfat dry milk	1.3329	1.3600	0.0271
Dry whey	0.5459	0.5834	0.0375

* Adjusted to 38-percent moisture.

Source: USDA, Agricultural Marketing Service, National Dairy Products Sales Report, November 6, 2024.

Weekly dairy cow slaughter in 2024 remains below last year's levels, with a slight increase in the week ending October 19 (week 42). Due to factors such as tight replacement heifer supplies, high replacement cow prices, persistent high demand for beef-on-dairy heifers, and lower feed costs, dairy farmers are likely extending the productive life of older cows, limiting culling. Replacement cow prices have been relatively high. In October, the average price for a replacement cow surged to \$2,600, a 41-percent increase from October 2023. This price increase makes it more expensive for dairy farmers who may be planning to expand their dairy herds.

The forecasts for the herd size and milk per cow in the fourth quarter of 2024 are unchanged from the previous month's forecast. The milk production forecast for the year is 226.0 billion pounds, 0.2 billion pounds more than the previous forecast. Following the recent movement in dairy product prices—weakness in butter prices and strength in dry whey and nonfat dry milk prices—the fourth-quarter 2024 price forecasts have been adjusted accordingly from previous forecasts. With an unchanged cheese price forecast and a higher price forecast for dry whey, the fourth quarter Class III milk price forecast is raised to \$21.15 (+\$0.10) per hundredweight. The all-milk price forecast for 2024 is \$22.75 per cwt, \$0.05 lower than the previous forecast.

The 2025 forecasts for the herd size, milk per cow, and total milk production—9.36 million head, 24,325 pounds, and 227.7 billion pounds—are unchanged from the last month's forecast. With higher expected prices for cheese and dry whey, the Class III price forecast for 2025 has been raised. The all-milk price forecast for 2025 is \$22.85 per cwt, \$0.10 higher than the previous forecast. ■