Reflections on Prices, Profitability and Economic Factors

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Estimated CNY/NPA/NVT Annual Average Gross Milk Price 1996-2023

Estimates use CME Group futures prices on October 5, 2022.
Thoughts on new supply and demand equilibrium...

* Projected by Dr. Scott Brown, University of Missouri, College of Agriculture, Food and Natural Resources, summer 2022
Estimated by Gallagher using October 5, 2022 CME Group futures prices
Feed prices remain elevated, but have moderated a bit.
Estimated gross milk price minus DFA Risk Management feed index

Calendar Year 2019

Calendar Year 2022

Jan-June 2023

July-Dec 2023

Source: Projections by DFA Risk Management based on Federal Order announced blend prices, CME Group futures as of 10/5/2022 and average announced component tests (2019-Sep 2022). Prices meant to represent base milk production at base zone. Western Area and Colorado DFA Advantage premiums included.
How I look at the data, interested in your feedback

Northeast US Area $/cwt
2019 Milk-Feed Margin $11.73
2023 Milk-Feed Margin $12.80
2023 Margin Improvement $1.07
2019 Profit $1.00