

# DAIRY DIGEST

The latest news from Minnesota Milk Producers Association

## THE FACTS

As of July 15, 2024



**450,000**  
cows in Minnesota



**\$21 to \$26** per cwt  
Milk price estimates  
• Not counting cattle sales



**\$22 to \$28** per cwt  
Cost of production  
estimates



**9.7 billion pounds**  
of milk produced in  
Minnesota

Welcome to the first issue of the interim Dairy Digest of 2024. We'll provide occasional updates on where the dairy industry is heading into the next session. First, I'd like to introduce myself: I'm a dairy farmer and cheese plant owner in central Minnesota, and I have served as Executive Director of Minnesota Milk since 2016. As they join us, we'll also introduce other guest writers in future issues.

In each issue, we're going to provide a quick update regarding current, major issues impacting the dairy industry:

- Disease: H5N1 in Dairy Cattle
- Milk prices: Mediocre with little opportunity to change milk buyer
- Cattle prices: Record highs due to a tight national beef supply

**H5N1 in cattle:** As the state session wrapped up, dairy farmers became more informed about H5N1 in cattle – an influenza disease that can impact all sorts of mammals. We're still very confident that pasteurized milk and dairy products are safe and remain the same high-quality, nutrient-rich foods they've always been. But, dairy farmers and their cows experience stress over this new disease. There are federal government programs to help, but due to privacy concerns, social stigma of having diseased cattle and the symptoms of this influenza being identical to many other diseases, many dairy farms in Minnesota have likely had the disease but have been unwilling to test for it. However, seven have seen positive tests. We're thankful for the response provided by the Minnesota Board of Animal Health (animals), Minnesota Department of Agriculture (milk) and Minnesota Department of Health (people) in response to the issue.

**Milk and cattle prices:** In terms of economics, it has not been a fun few years to be milking cows, but cattle prices are a saving grace for many of us. Usually, when milk prices are down, there is too much milk produced by too many cows for dairy farms to make a profit. However, with a very low beef supply, we now have an interesting paradigm where cattle prices are a leading profit decision-maker on dairy farms (farmers will sell cattle to other farms, will use the value on their balance sheet with lenders and ultimately sell them for harvest as well). While this is good news, it also makes it a simple decision when farmers are teetering on the edge of ending their business and they know they can gain equity selling cows. We appreciate this opportunity for dairy farmers, but we also worry about what these farm sales could do to the long-term infrastructure of Minnesota's dairy industry.

We are proud to have the DAIRI federal milk insurance rebate program, Livestock Investment Grants and Dairy Profit Teams programs available in Minnesota to help dairy farmers navigate these times. If you have questions about how these issues impact dairy farmers, never hesitate to let me know. I wish you the best in your campaigns!



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