

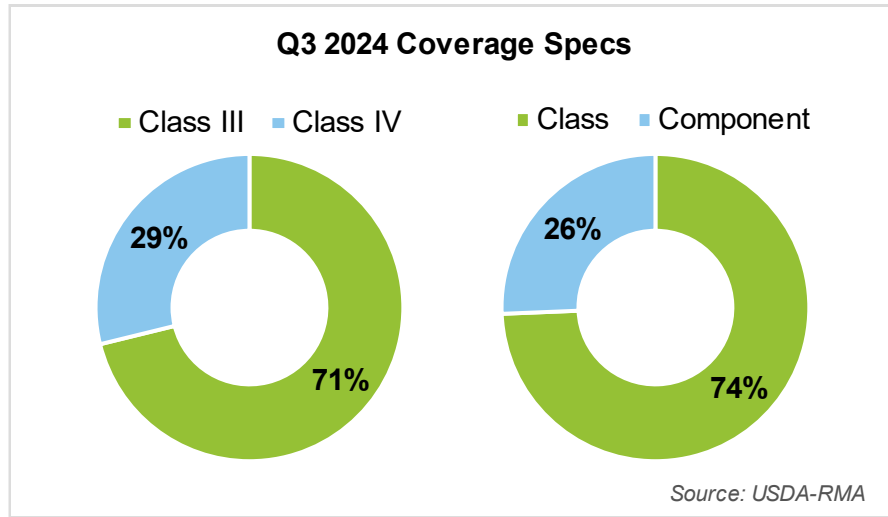
At the time of publishing, Q3 2024 indemnities have not yet been released by USDA-RMA. As such, the most recent quarter's indemnity payments in this report are estimated using announced class and component prices and milk yields.

Overview & Key Points

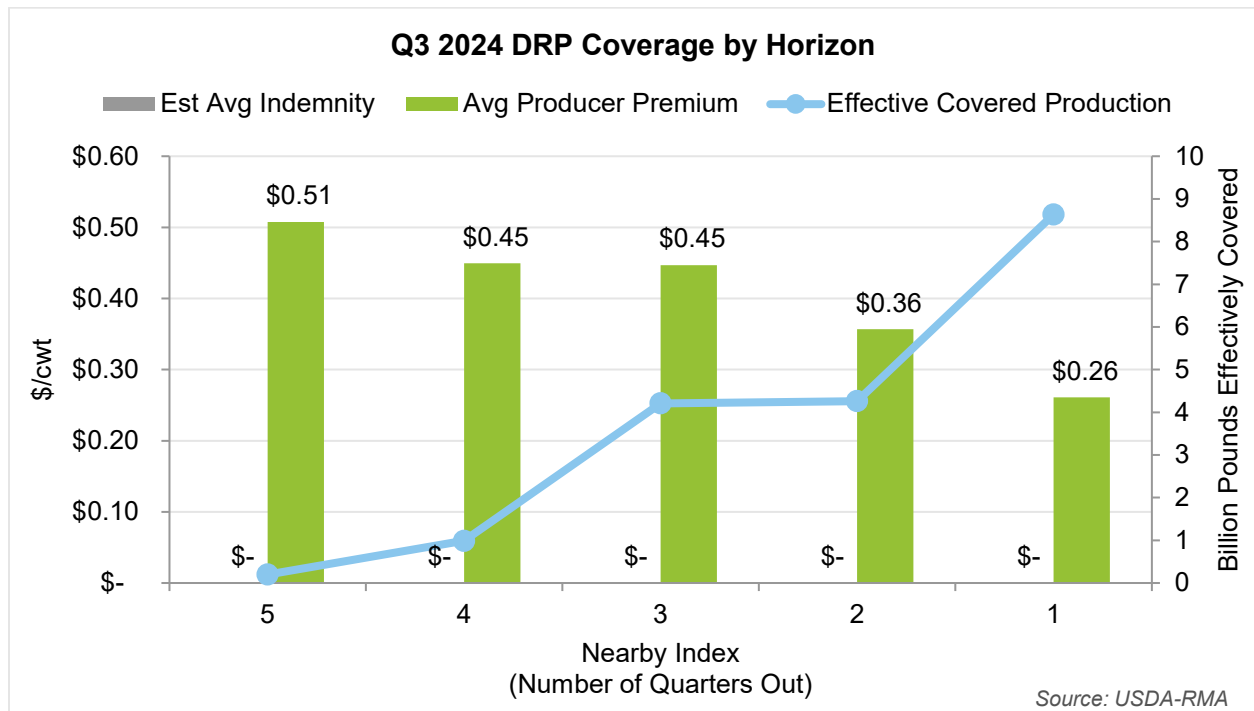
- As Class III and IV prices climbed higher, no indemnities were paid out for the third quarter of 2024. However, producer milk checks were surely good, with Class III and IV settlements averaging \$21.26/cwt and \$21.73/cwt, respectively.
- On average, producers paid \$0.34/cwt for Q3 2024 DRP coverage.
- Nearly 18.3 billion pounds of milk were covered under DRP during Q3 2024, representing 33% of the U.S. milk supply. This was a significant increase from the previous quarter, up more than 5 billion pounds from Q2.

Total Effective Pounds Covered:	Total Producer Premium:	Estimated Total Indemnities Paid:	Estimated Total Net to Producers:
18.3 billion lbs	\$62 million	\$0	-\$62 million
Share of U.S. Milk Supply Covered:	Average Producer Premium:	Estimated Average Indemnity Paid:	Estimated Average Net to Producers:
33%	\$0.34/cwt	\$0/cwt	-\$0.34/cwt

Source: USDA-RMA



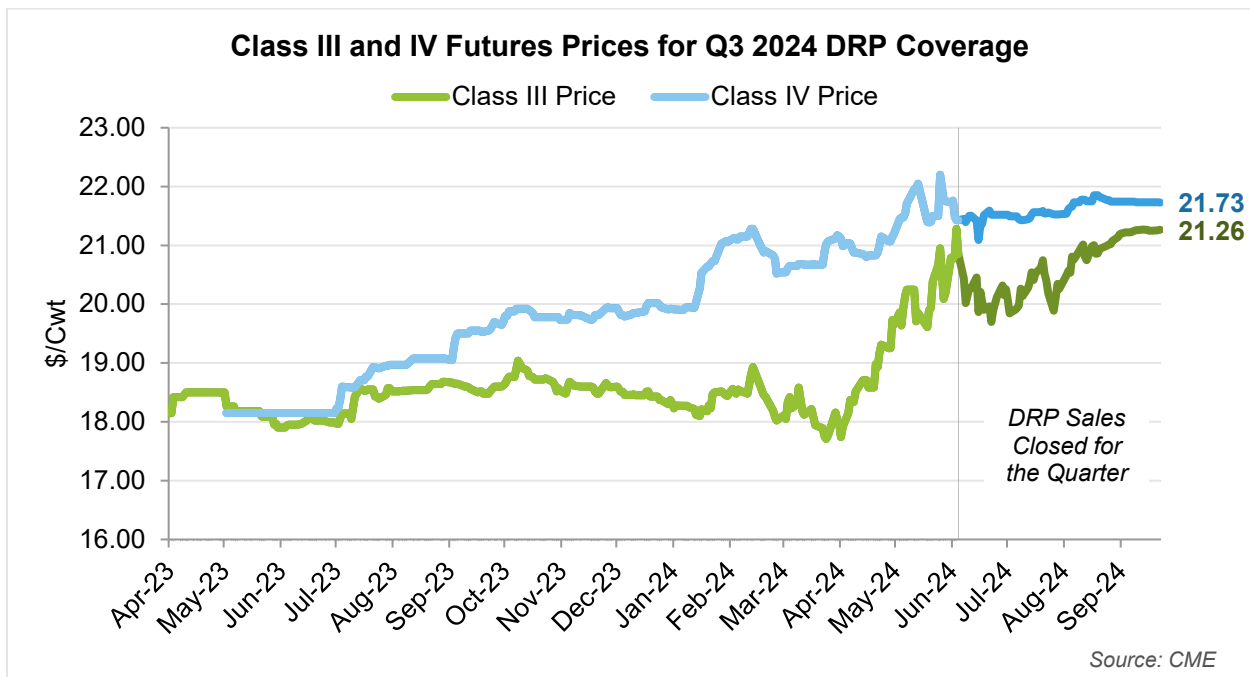
Coverage Performance by Horizon



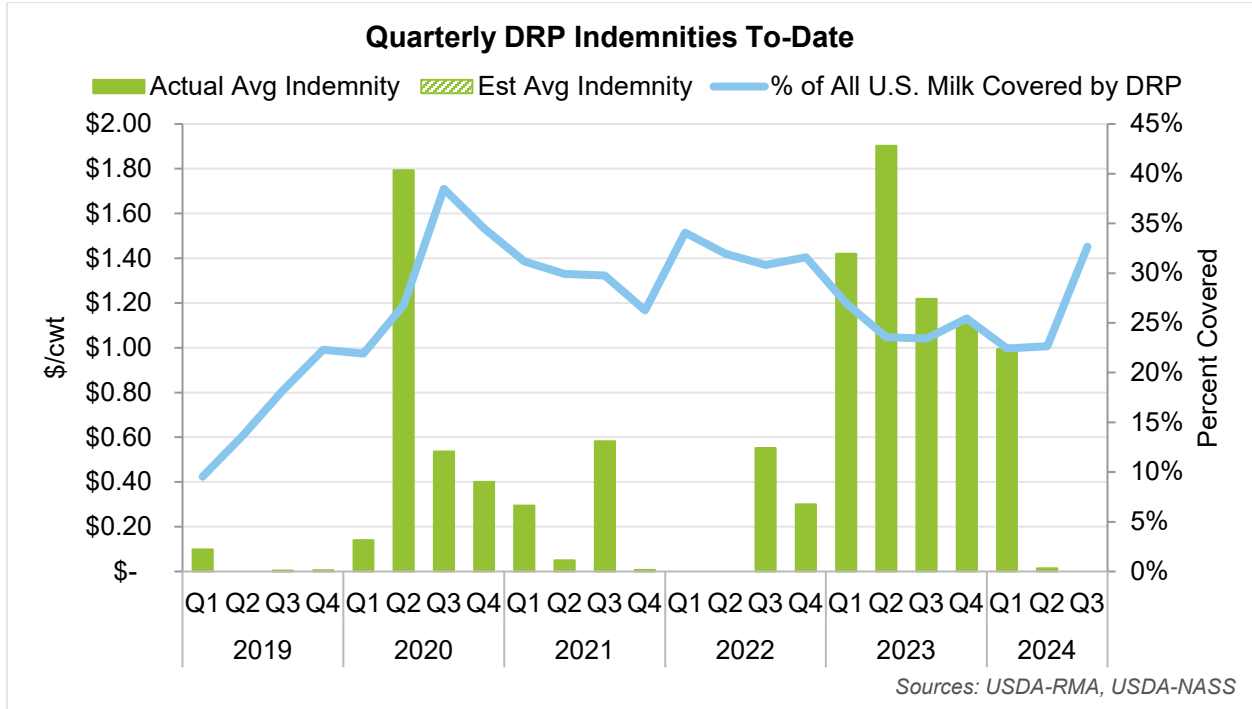
Nearby Index	Effective Covered Production		Class III Price (\$/cwt)			Class IV Price (\$/cwt)		
	Number of Quarters Out	Billion Lbs	Share (%)	Min	Max	Avg	Min	Max
5	0.198	1%	17.90	18.50	18.13	18.15	18.15	18.15
4	0.988	5%	17.95	18.68	18.40	18.15	19.50	18.78
3	4.210	23%	18.46	19.04	18.64	19.50	19.95	19.77
2	4.263	23%	18.02	18.93	18.38	19.83	21.28	20.50
1	8.635	47%	17.71	21.28	19.45	20.65	22.20	21.20

Source: USDA-RMA

Nearby Index	Sales Effective Date Range
5	03/16/23 - 06/15/23
4	06/16/23 - 09/15/23
3	09/16/23 - 12/15/23
2	12/16/23 - 03/15/24
1	03/16/24 - 06/15/24



Participation and Performance



Net to producers is equal to the indemnity paid minus the producer premium. Effective covered milk production is equal to the declared production times the protection factor. Class III versus IV coverage is calculated as the effective covered milk production times the class price weighting factor or the component price weighting factor.

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HighGround Dairy – 425 S. Financial Pl. Suite 2301 - Chicago, IL 60605 USA - Direct: +1 312 604 3080 – Mobile: +1 312 953 3078
Main Toll Free: (877) 206-4250 - Email: info@highgrounddairy.com - www.highgrounddairy.com