

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — JAN. 12, 2022 — except where noted



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2022 PA Dairy Summit: For many years at the beginning of February, the Pennsylvania Dairy Summit has been the go-to conference for Pennsylvania dairy farmers and industry personnel to get the most up-to-date information on a variety of topics. After having to provide the Summit virtually in 2021, this year's Summit is back in-person on February 2 – 3 at the Lancaster Marriott in Lancaster, PA. This year's theme is "Going for the Gold."

Using this theme, each of the four Keynote Speakers will talk about topics to help listeners get to the next level with production and performance on and off the farm. On February 2, Elle Purrier St. Pierre, Vermont dairy farmer and U.S. Olympian, will talk about how her experiences in dairy farming helped her on her journey to become a professional athlete. She won her 1,500m Olympic Trials race which qualified her for the 2020 Olympics. At the Olympics, St. Pierre finished 10th in the 1,500m race. In addition to her strong finish at the 2020 Olympics, St. Pierre holds the American record for the indoor track and field one mile and two mile races and was a finalist in the 5,000m at the 2019 World Championship. During the afternoon session, Dr. Marin Bozic, Assistant Professor in the Department of Applied Economics at the University of Minnesota, will provide research on how the decades long decline in fluid milk sales has resulted in a Federal Milk Marketing Order (FMMO) system that no longer functions as it was originally intended. Dr. Bozic believes that the U.S. dairy industry can "go for the gold" by addressing FMMO reform through current channels to improve the milk pricing system.

On February 3, the morning Keynote Speakers will be Dale and Clay Hemminger, second and third generation owners and operators at Hemdale Farms Dairy and Greenhouses in Seneca Castle, NY. The Hemmingers will speak about how they are using diversification to achieve excellence in their business. The Hemmingers run a high-production 1,500-cow robotic dairy and grow their own high-quality forages. They also own and operate a greenhouse facility that grows plug plants for their farm and

20 other vegetable farms. They will share with the audience their insights and model for success as they manage multiple enterprises and a generational family business. The afternoon session will be led by Ed Herr, Chairman and CEO of Pennsylvania-based Herr Foods Incorporated. Having grown up in the snack food business as the son of the Company's founders, Mr. Herr learned the importance of hard work and valuing people at an early age. Using the values his parents instilled in him, Herr now focuses his time on strategy, vision casting and culture. He strives for Gold by being committed to the Herr family tradition of offering customers the very best products and service in the industry while fostering a culture of collaboration and appreciation for each of the company's more than 1,500 employees throughout the mid-Atlantic region.

In addition to the Keynote Speakers, there will be 12 different breakout sessions to choose from over the course of the two-day conference. Breakout options will include topics within herd management, farm management, financial management, and the broader industry. More information about the Pennsylvania Dairy Summit and the online registration form can be found at www.padayrsummit.org. For dairy farmer attendees, there is a \$50 registration discount available during the registration process for each member of your operation attending. The Pennsylvania Dairy Summit is hosted annually by the Professional Dairy Managers of Pennsylvania.

PA Dairy Summit Breakout Session Options	
Controlling Feed Costs in Today's Market	
Evolution of Beef in the Dairy Herd	
Integrating Robotic Milking Systems	
Protecting Yourself from Animal Activism	
Who Will Own This When I'm Gone?	
Improving Production and Crop Yields	
Breaking Down Hedging and Risk Management	
Predicting 2022 Dairy Markets	
Benchmarking to Bolster Your Bottom Line	
Investigating Consumer Trends	
Maintaining High Standards with Biosecurity Plans	
Navigating the Logistics Nightmare	

Prices change daily. This market information is an example for educational purposes. The market data below are compiled weekly by Farmshine, via CME & USDA reports

CME DAILY FUTURES & OPTIONS TRADING — JAN. 12, 2022 AT THE CLOSE

	JAN-22	FEB-22	MAR-22	APR-22	MAY-22	JUN-22	JUL-22	AUG-22	SEP-22	OCT-22	NOV-22	DEC-22	TREND			
CLASS III MILK FUTURES (\$/CWT) vs. wk ago: Jan. \$0.30 lower, rest of board \$0.40-0.65 higher.	20.38	22.63	22.38	21.98	21.50	21.30	21.34	21.20	21.10	20.89	20.67	20.20	↑↑			
CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: Jan. - June \$0.55 - 0.85 higher, July-Dec. \$0.25-0.30 higher.	22.80	23.25	23.10	22.90	22.65	22.50	22.52	22.34	22.15	21.70	21.12	20.50	↑↑			
----- HIGHEST & LOWEST DAILY SETTLE PRICE FOR CL. III CONTRACTS OVER LIFE OF CONTRACT & MONTH/DATE OF OCCURRENCE -----																
	20.66 01/22	22.63 01/22	22.38 02/22	21.98 01/22	21.50 01/22	21.30 01/22	21.34 01/22	21.20 01/22	21.10 01/22	20.89 01/22	20.67 01/22	20.20 01/22				
	11.28 05/20	11.28 05/20	11.03 04/20	11.20 04/20	11.12 04/20	11.20 05/20	11.20 04/20	11.12 05/20	11.20 05/20	11.12 04/20	11.31 04/20	11.20 05/20				
MILK BASIS (\$/CWT) — PA BASIS & 2016-19 AVG OF PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)	PA 1.17	0.62	1.53	2.29	1.82	1.58	0.99	1.03	0.95	0.79	0.60	0.79				
*AVG 0.85	1.67	2.55	2.15	1.66	1.45	1.25	1.31	1.15	0.67	0.74	1.38					
DMC OFFICIAL GROSS MARGINS per cwt. (USDA All-Milk, com/alfalfa & Ill. soybean, feed for all classes of dairy cattle on the farm) *Updated with NEW prem. alfalfa feed cost*	DMC SEP-20	OCT-20	NOV-20	DEC-20	JAN-21	FEB-21	MAR-21	APR-21	MAY-21	JUN-21	JUL-21	AUG-21	SEP-21	OCT-21	NOV-21	
	*9.26	*10.97	*11.64	*8.54	*6.90	*5.97	*6.26	*6.77	*6.67	*6.03	*5.47	*5.03	*6.69	*8.54	*9.14	
U.S. AVG MILK MARGIN per 100 lbs milk based on 75-lb herd avg & USDA's All-Milk price, USDA-reported com & alfalfa hay & Ill. soybean prices (lactating feed only)	JUL-20	AUG-20	SEP-20	OCT-20	NOV-20	DEC-20	JAN-21	FEB-21	MAR-21	APR-21	MAY-21	JUN-21	JUL-21	AUG-21	*SEP-21	*OCT-21
	15.04	13.43	12.33	14.44	15.47	12.51	11.25	10.51	10.66	11.31	11.53	10.77	10.19	9.79	*10.05	*11.74
PA AVG MILK MARGIN per 100 lbs milk based on 75-lb herd average and USDA's PA All-Milk price, USDA com & alfalfa hay & Buff., NY soybean prices (lactating feed only)	JUL-20	AUG-20	SEP-20	OCT-20	NOV-20	DEC-20	JAN-21	FEB-21	MAR-21	APR-21	MAY-21	JUN-21	JUL-21	AUG-21	*SEP-21	*OCT-21
	12.67	11.10	10.91	11.31	12.36	10.53	8.56	8.15	9.24	9.37	9.76	10.20	10.04	9.82	*10.68	*12.47

CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium																							
20.50	0.20	22.75	0.75	22.50	1.30	22.00	1.47	21.50	1.63	21.25	1.63	21.25	1.72	21.25	1.79	21.00	1.74	21.00	1.80	20.75	1.77	20.25	1.71
MAR-22			JUL-22			DEC-22			Example Daily Strike Price / Premium			MAR-22			MAY-22			JUL-22					
CORN (\$/BU) OPTIONS — CALLS						SOYMEAL (\$/TON) OPTIONS — CALLS																	
5.75	37.10	6.00	43.10	6.00	32.70	365	37.65	370	36.50	400	24.60	445	04.45	480	04.15	510	04.20						
6.75	03.70	8.30	03.40	7.70	07.20																		

CORN FUTURES (\$/BU)													
MAR-22	MAY-22	JUL-22	SEP-22	DEC-22	MAR-23	MAY-23	JUL-23	SEP-23	DEC-23	JUL-24	DEC-24	TREND	
5.990	6.006	5.980	5.710	5.582	5.660	5.686	5.686	5.380	5.342	5.410	5.410	↑↑	
----- WEEK AGO -----													
6.022	6.026	6.002	5.674	5.546	5.614	5.642	5.632	5.162	5.074	5.124	5.124		
SOYMEAL FUTURES (\$/TON)													
JAN-22	MAR-22	MAY-22	JUL-22	AUG-22	SEP-22	OCT-22	DEC-22	JAN-23	MAR-23	MAY-23	JUL-23	TREND	
431.0	416.2	414.2	413.7	407.7	397.1	384.8	383.0	379.5	372.7	368.1	367.5	↑↑	
----- WEEK AGO -----													
424.1	413.4	410.7	410.9	406.2	396.2	385.3	383.7	380.0	372.2	366.5	365.1		

*NEW PA MILK MARGIN & IOFC—LATEST PSU VALUES - *OCT 2021				CME DAIRY CASH-SETTLED FUTURES (\$/LB) 01/12/22										SPOT CASH TEND											
FEED = \$/CWT.	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	01/12/22	01/12/22								
IOFC = \$/COW	*OCT (estimated) *8.52 ↓↓	*9.35 ↑↑	*12.47 ↑↑	NFDM	1.632	1.687	1.707	1.702	1.690	1.670	1.672	↑↑	1.7600	↑↑	WHEY	0.682	0.720	0.720	0.703	0.697	0.687	0.675	↑↑	0.7625	↑↑
	PREV MO 8.54	8.01	10.68	BUTTER	2.545	2.550	2.520	2.460	2.440	2.440	2.420	↑↑	2.8300	↑↑	CHEESE	1.918	2.111	2.095	2.072	2.036	2.021	2.028	↑↑	See Below	
	YR AGO 7.49	8.48	11.31	CME SPOT CHEESE: BARRELS 1.9050 / 40 LB BLOCKS 2.0525 ↑↑ / ↓↓																					

*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)										CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW				
CL I ADV	CL II	CL III	CL IV	ALL-MILK-U.S.	ALL-MILK-PA	WEIGHTED AVG. 4-WK	DEC. 1-31, 2021	*DEC. 2021 COMPONENTS						
19.71 (JAN)	19.84 (DEC)	18.36 (DEC)	19.88 (DEC)	20.80 (NOV) ↑↑	21.50 (NOV) ↑↑	PRODUCE	1.7542	MAKE ALLOW	1.5539	↓	PROT	2.5937	↓	
----- MONTH AGO -----						BUTTER	2.0641	0.1715	1.8926	↑	B.FAT	2.2919	↑	
19.17	18.40	18.03	18.79	19.70	19.90	NFDM	1.5471	0.1678	1.3793	↑	N.FAT	1.3655	↑	
----- YEAR AGO -----						DRYWHEY	0.6391	0.1991	0.4400	↑	OTHER	0.4532	↑	
15.14	14.01	15.72	13.36	21.10	20.20									

CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. Jan. 5, 2022 sale New Holland, PA)														
COWS: Fresh		Bred Springing		HEIFERS: Bred		Springing		Beef x		Open: 300-600 lbs	Beef X	600-900 lbs	900-1000 lbs	BULLS (1000 lb)
1200	1150	1200	900	1150	N/A	375	N/A	625	750	N/A				
----- MONTH AGO COMPARISON -----														
950	1100	1085	950	800	450	425	660	675	900	N/A				
Avg. of prices reported by USDA Market News for PA Auction Markets Jan. 6-11, 2022														
CULL MARKET COWS (\$/CWT LIVEWEIGHT)														
Premium White	Breakers	Boners	Lean											
60.00	68.50	60.25	50.50											
----- TWO WEEKS AGO -----														
N/A	68.35	60.25	49.25											
----- YEAR AGO -----														
57.50	55.85	48.85												

brought to you by:



*AVG = Average basis for North-East and Mid-East

*MARGIN = Milk Price over Feed Cost per cwt. YELLOW = payment triggered



Price averages do not include lower-end common

Average to high dressing