

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — JAN. 18, 2023 — except where noted



**ZACH MYERS**  
Risk Education Manager  
336-468-0726  
zmyers@centerfordairyexcellence.org

**Annual Crop Production:** The USDA released its Crop Production Annual Summary on January 12. This summary reports crop production for the U.S. and by state for major commodities like corn, soybeans, and hay. Of course, there are many others listed. Due to space constraints, I will summarize U.S. and PA corn for grain, corn silage, soybeans, and alfalfa hay in this week's column.

There were a total of 312.1 million acres of principal crops planted across the U.S. during 2022. There are 22 different crops that make up what the USDA calls principal crops. They cover a wide range of crops including what I already mentioned and other crops such as millet, wheat, tobacco, edible beans, and others. There were 3.732 million acres of principle crops planted in Pennsylvania. This number of planted acres ranks as the 23rd highest total in the nation.

The U.S. corn acres planted for all purposes was 88.58 million acres, 5% less than 2021. 79.21 million acres (89%) were harvested for grain. 2022 U.S. grain yield at 173.3 bushels per acre was down 2% compared to 2021. With reduced acreage planted and lower yield compared to 2021, total 2022 grain production was down 9% to 13.73 billion bushels. Pennsylvania had 1.18 million acres of corn planted which was 11% less than 2022. There were 840,000 acres (71%) harvested for corn grain. The corn yield across the Commonwealth was down 17% compared to 2021 at 140 bushels per acre. Like the U.S., reduced acreage planted coupled with lower yields resulted in lower total production. Total production across the state equaled 117.6 million bushels, 30% less than 2021. Pennsylvania ranks 16th in the nation for corn acres planted and 17th in total corn grain production.

The U.S. harvested 6.86 million acres for corn silage, 6% more acres than 2021. The national corn silage yield was 18.7 tons per acre, 7% less than 2021. Total corn silage production totaled 128.6 million tons, 0.7% less than 2021. Pennsylvania ranked 10th in area harvested, 27th in yield, and 9th in total corn silage production during 2022. There were 485,000 acres of corn harvested for silage across the Commonwealth. Each acre yielded 18 tons of corn silage to provide a total corn silage

production of 5.49 million tons. There were 87.45 million acres of soybean planted nationally. This was 0.3% less than 2021. Of that acreage, 86.34 million acres were harvested. The national soybean crop yielded 51.7 bushels per acre, 0.7 bushels per acre (+1%) more than 2021. With less acres harvested in 2022 than 2021, national soybean production dropped 4.2% to 4.276 billion bushels. For Pennsylvania, 590,000 acres of soybeans were harvested (-0.8% YOY), the 20th highest harvested acreage in the nation. Ranked 16th in the nation for yield and 19th for total production, the Pennsylvania soybean harvest yielded 43 bushels per acre and 25.37 million bushels total. Both yield and production are less than 2021 by 10 bushels per acre and 6.17 mil. bushels, respectively.

There were 14.91 million acres of alfalfa hay planted across the nation. This was 1.38 million acres less than 2021. Hay yield was equal to 3.22 tons per acre, nearly identical to the 3.32 per acre yield in 2021. However, with less area harvested, total production across the nation was reduced by 1.29 million tons to 47.96 million tons. Pennsylvania also experienced a reduction in the number of acres harvested. There were 310,000 acres of alfalfa hay harvested across the state. However, yield improved by 0.7 tons per acre and allowed total hay production to increase compared to 2021. A total of 1.12 million tons of alfalfa hay were harvested across the Keystone State, 188,000 more than 2021.

## 2022 Pennsylvania Crop Results

	Acres Harvested (1,000s)	Yield	Total Production (1,000s)
Corn Grain	840	140 bu/acre	117,600
Corn Silage	305	18 T/acre	5,490
Soybeans	590	43 bu/acre	25,370
Alfalfa Hay	310	3.6 T/acre	1,116

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. 18, 2023 AT THE CLOSE

	JAN-23	FEB-23	MAR-23	APR-23	MAY-23	JUN-23	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	TREND			
<b>CLASS III MILK FUTURES</b> (\$/CWT) vs. *2 weeks ago: <i>Jan dn \$0.15, Feb dn \$0.75, Mar-Jul dn \$0.30-0.50, Aug-Nov dn \$0.05-0.10, Dec23 up \$0.05</i>	19.45	18.44	18.06	18.41	18.78	19.11	19.34	19.65	19.85	19.94	19.75	19.65	12-Month Avg. 19.20 ↓↓			
<b>CLASS IV MILK FUTURES</b> (\$/CWT) vs. *2 weeks ago: <i>Jan-Feb steady-\$0.10 higher, Mar-Dec \$0.40-0.80 lower.</i>	19.75	19.07	18.27	18.22	18.50	18.72	19.06	19.37	19.50	19.69	19.92	19.94	12-Month Avg. 19.17 ↓↓			
<b>CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium</b>	19.50 0.10	18.50 0.43	18.25 0.70	18.50 0.83	18.75 0.89	19.00 0.95	19.25 1.09	19.75 1.26	19.75 1.27	20.00 1.43	19.75 1.44	19.75 1.54				
<b>MILK BASIS (\$/CWT) — PA BASIS &amp; 2016-19 AVG OF PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)</b>	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				
<b>*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</b>																
<b>DMC OFFICIAL GROSS MARGINS</b> per cwt(USDA All-Milk, com, alfalfa & Ill. soybean, feed for ALL CLASSES of dairy cattle on farm) Updated with NEW prem. alfalfa feed cost	SEP-21	OCT-21	NOV-21	DEC-21	JAN-22	FEB-22	MAR-22	APR-22	MAY-22	JUN-22	JUL-22	AUG-22	SEP-22	OCT-22	*NOV-22	TREND
<b>DMC</b>	6.69	8.54	9.14	9.53	11.54	10.98	11.55	12.29	12.51	11.92	9.92	8.08	8.62	10.71	*10.89	↑↑

**U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report**

SEP-21	OCT-21	NOV-21	DEC-21	JAN-22	FEB-22	MAR-22	APR-22	MAY-22	JUN-22	JUL-22	AUG-22	SEP-22	OCT-22	NOV-22	*DEC-22
246.10	256.09	262.84	242.90	270.34	253.80	278.02	280.00	322.00	321.17	312.50	308.17	290.70	300.10	289.50	*296.50 ↑↑

**U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report**

993	1018	1062	1152	1151	1237	1253	1390	1278	1184	1350	1407	1265	1310	1290	*1300 ↑↑

**CORN FUTURES (\$/BU)**

MAR-23	MAY-23	JUL-23	SEP-23	DEC-23	MAR-24	MAY-24	JUL-24	SEP-24	DEC-24	MAR-25	MAY-25	TREND
6.812	6.792	6.680	6.164	6.010	6.076	6.104	6.084	5.656	5.550	5.612	5.626	↑↑

**SOYMEAL FUTURES (\$/TON)**

MAR-23	MAY-23	JUL-23	AUG-23	SEP-23	OCT-23	DEC-23	JAN-24	MAR-24	MAY-24	JUL-24	AUG-24	TREND
478.1	460.2	450.6	437.0	420.7	405.1	401.9	398.8	392.1	387.3	385.6	382.0	↓↓

**PA MILK MARGIN & IOFC-LATEST PSU VALUES — OCT 2022**

FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)
OCT (estimated) 9.21 ↓↓	13.26 ↑↑	20.18 ↑↑
PREV MO 9.25	12.63	19.58
YR AGO 7.64	9.19	12.26

*Covers ONLY lactating feed, based on 75 lb herd avg, Buff., NY soy price*

**CME DAIRY CASH-SETTLED FUTURES (\$/LB) 01/18/23**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	SPOT CASH TREND
NFDM	1.360	1.285	1.208	1.192	1.210	1.235	1.253	1.2100 ↓↓
WHEY	0.427	0.380	0.379	0.375	0.380	0.380	0.390	0.3300 ↓↓
BUTTER	2.414	2.352	2.350	2.370	2.390	2.430	2.460	2.3700 ↓↓
CHEESE	1.979	1.905	1.878	1.912	1.937	1.975	2.010	See Below

**CME SPOT CHEESE: BARRELS 1.7000 / 40 LB BLOCKS 2.0350 ↓↓ / ↓↓**

**\*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)**

*CL I ADV	*CL II	*CL III	*CL IV	*ALL-MILK-U.S.	*ALL-MILK-PA
22.41(JAN)	*23.11(DEC)	*20.50(DEC)	*22.12(DEC)	*25.60(NOV) ↓↓	*26.60(NOV) ↓↓

**\*CURRENT FEDERAL ORDER VALUES (\$/LB) \*NEW**

PRODUCT	VALUE	MAKE ALLOW	NET	*DEC 2022 COMPONENTS
*CHEESE	2.0555	0.2003	1.8552 ↓↓	*PROT 2.6568 ↑↑
*BUTTER	2.7759	0.1715	2.6044 ↓↓	*B.FAT 3.1539 ↓↓
*NFDM	1.4559	0.1678	1.2881 ↓↓	*N.FAT 1.2752 ↓↓
*DRYWHEY	0.4566	0.1991	0.2575 ↓↓	*OTHER 0.2652 ↓↓

**CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. Jan. 11, 2023 sale New Holland, PA)**

COWS: Fresh	Bred	Springing	*HEIFERS: Bred	Springing	Beefx	Open: 300-600 lbs	Beef X 600-900 lbs	Beef X 900-1100 lbs	BULLS(900+ lbs)		
1550	1475	1450	1325	1625	N/A	525	N/A	885	N/A	1025	1200

**FED HOLSTEIN STEERS (\$/CWT LIVELINE)**

Choice & Prime 1250-1550 lbs light test	CURRENT	Beef X	WEEK AGO	YR AGO
	131.00		122.00	107.00 ↑↑

**BULL CALVES: No. 1 & 2, 90-130 lbs**

	CURRENT	Beef X	WEEK AGO	YR AGO
70-85 lbs	167.00	350.00	150.00 240	125.00 ↑↑

brought to you by:



**PAUCTION MARKETS JAN. 12-17, 2023**

Premium White	Breakers	Boners	Lean
79.85 ↑↑	72.10 ↓↓	66.85 ↓↓	
WEEK AGO	79.75	74.00	68.85
YEAR AGO			
63.50	78.60	71.75	64.60