

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — FEB. 9, 2022 — except where noted

**March FARM Animal Care Workshops:** In 2009, National Milk Producers Federation (NMPF) and Dairy Management Inc. (DMI) co-created the National Farmers Assuring Responsible Management (FARM) Program. Since then, the National FARM Program has become the premier dairy animal welfare program in the U.S. and represents 99% of total milk produced in the U.S.

Companies across the U.S. and the world recognize it as the gold standard for animal welfare programs across the livestock sector. According to the FARM website, "As science and best practices evolve, the FARM Program's goal is to continue showing customers and consumers that we're holding the dairy industry to the highest standards." Furthermore, FARM, "helps to ensure the success of the entire dairy industry by demonstrating U.S. dairy farmers are committed to producing high quality, safe milk with integrity."

My goal with this article is not to analyze the differing opinions about these programs but to supply context and background to the environment for which FARM was created. During the development of the first version of FARM, I was dairy farming in partnership with my parents in North Carolina. I was appointed by the USDA to represent the Southeast Region on the National Dairy Promotion and Research Board (NDB) in 2010 and then reappointed in 2013. NDB is where the nickel of your 15 cents per cwt check-off goes. NDB board directors are automatically on the DMI board. One of the first DMI board meetings I remember going to involved a discussion on the developing FARM Program. The consumer environment 10-plus years ago was much like it is now. Only then, consumers were just becoming more curious about what was in their food, where it came from, and how it was produced. As such, food companies were starting to develop their own animal welfare programs to try to get ahead of their competitors.

One company, McDonald's, which had just started a partnership with national check-off, had recently drafted a program that would require all its dairy suppliers to implement to continue doing business. Thankfully, they gave it to DMI to review. During that meeting, that draft was presented to us as justification for why we needed a national program. McDonald's animal welfare plan was nearly 100 pages long and was obviously developed by individuals who did not understand the dairy industry. At the time, numerous other companies were developing their own welfare plans. The FARM Program allowed the industry to unite behind scientifically valid and feasible best management practices developed by an advisory board of industry professionals and approved by dairy farmers. In those first few years, FARM participation quickly grew to represent the majority of the U.S. milk supply, and companies like McDonald's and others, saw no need in having their own plans.

Over 90% of the Pennsylvania milk supply is enrolled in the FARM Program. One of the requirements of participating in FARM is owner and employee training. Coming in March, the Center for Dairy Excellence and the Pennsylvania Beef Council have partnered to provide four opportunities for you and your employees to receive FARM certified training to meet that requirement. Training will include stocking density and safe handling of dairy animals; humane movement and treatment of non-ambulatory animals and proper euthanasia; calf care; and responsible antibiotic use and proper record keeping.

**It is free to attend but registration is required.** A Spanish interpreter will be present at each site to provide the training to Spanish-speaking employees. After the conclusion of the workshops, a certificate of completion will be mailed to you for each person from your farm in attendance to keep with your records.

You can register online at [centerfordairyexcellence.org/animal-care](http://centerfordairyexcellence.org/animal-care) or by contacting me and providing me with the location you plan to attend, your name, the names of each person attending from your farm, your address, phone number, and email address if you have one.



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JOIN US FOR  
**ANIMAL CARE WORKSHOPS**

Ideal for dairy farmers & your employees, these free, hands-on workshops will give you the skillsets to meet National FARM compliance. Each workshop will be offered in both English and Spanish. You'll gain training in:

- Stockmanship
- Calf Care
- Antibiotic Use
- Record-Keeping

March 2	March 8	March 9	March 15
10 AM - 2 PM	10 AM - 2 PM	10 AM - 2 PM	10 AM - 2 PM
Chambersburg Burk-Lea Farms	Grove City Irishtown Acres	Conestoga Star Rock Farms	Millsville Hemsworth Dairy


**REGISTER TODAY:**  
[www.centerfordairyexcellence.org/animal-care](http://www.centerfordairyexcellence.org/animal-care)

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

\*AVG =  
Average  
basis for  
North-  
East and  
Mid-East  
  
\*MARGIN  
= Milk  
Price  
over  
Feed  
Cost  
per cwt.  
YELLOW  
= payment  
triggered

## CME DAILY FUTURES & OPTIONS TRADING — FEB. 9, 2022 AT THE CLOSE

FEB-22	MAR-22	APR-22	MAY-22	JUN-22	JUL-22	AUG-22	SEP-22	OCT-22	NOV-22	DEC-22	JAN-23	TREND											
CLASS III MILK FUTURES (\$/CWT) vs. wk ago: \$0.20-0.50 higher across the board -- except Apr through July \$0.70-1.00 higher													12-Month Avg. 21.42	↑↑									
20.66	22.04	22.51	22.20	22.07	22.00	21.74	21.60	21.20	20.70	20.35	19.95	↑↑											
CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: Feb-Mar \$0.15-0.30 higher; rest of board \$0.50 to \$1.00 higher													12-Month Avg. 22.81	↑↑									
23.57	24.04	24.25	23.64	23.60	23.40	23.00	22.39	22.15	21.75	21.20	20.67	↑↑											
CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium																							
20.75	0.13	22.00	0.57	22.50	1.12	22.50	1.45	22.00	1.37	22.00	1.52	21.75	1.58	21.50	1.57	21.25	1.60	20.75	1.57	20.25	1.48	20.00	1.55
MILK BASIS (\$/CWT) — PA BASIS & 2016-19 AVG OF PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)																							
PA	0.62	1.53	2.29	1.82	1.58	0.99	1.03	0.95	0.79	0.60	0.79	1.17											
*AVG	1.67	2.55	2.15	1.66	1.45	1.25	1.31	1.15	0.67	0.74	1.38	0.85											
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	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	*DEC-21								
	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	*9.53	↑↑							



<b>U.S. AVG MILK MARGIN</b> 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	↑↑
<b>PA AVG MILK MARGIN</b> 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)																
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	↑↑

<b>CORN FUTURES (\$/BU)</b>												
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
6.476	6.462	6.406	6.010	5.886	5.952	5.984	5.980	5.636	5.582	5.650	5.650	↑↑
WEEK AGO												
6.224	6.222	6.172	5.836	5.730	5.802	5.826	5.822	5.502	5.456	5.532	5.532	

<b>SOYMEAL FUTURES (\$/TON)</b>												
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
468.7	466.8	465.2	454.4	434.1	481.1	419.2	412.7	402.2	393.4	390.9	382.3	↑↑
WEEK AGO												
435.1	433.5	430.2	419.4	404.7	391.5	390.6	387.0	377.7	372.2	369.8	362.3	

<b>*NEW PA MILK MARGIN &amp; IOFC-LATEST PSU VALUES - *OCT 2021</b>												
FEED =	FEED COST	IOFC (\$/COW	PA MILK MARGIN	<b>CME DAIRY CASH-SETTLED FUTURES (\$/LB)</b>								
\$/CWT.	(\$/CWT milk)	@ 75 lbs milk)	(\$/CWT milk)	FEB	MAR	APR	MAY	JUN	JUL	AUG	02/09/22	SPOT CASH TREND
*OCT (estimated)	*8.52 ↓	*9.35 ↑	*12.47 ↑	NFDM	1.755	1.828	1.865	1.847	1.827	1.800	1.758	↑↑ 1.8650 ↑↑
IOFC =	PREV MO	8.54	8.01	WHEY	0.775	0.810	0.802	0.787	0.760	0.725	0.700	↓ 0.8575 ↑
\$/COW	YR AGO	7.49	8.48	BUTTER	2.522	2.495	2.440	2.375	2.400	2.400	2.390	↑ 2.5325 ↑
				CHEESE	1.892	2.020	2.049	2.045	2.050	2.049	2.030	↑ See Below
<b>CME SPOT CHEESE: BARRELS 1.8575 / 40 LB BLOCKS 1.9000 ↑↑ / ↑↑</b>												

<b>*USDA OCT-21 NEW * ALL-MILK BF MAILBOX</b>												
*FEB	*MAY	*AUG	*NOV	*DEC	*JAN	*FEB	*MAY	*AUG	*NOV	*DEC	*JAN	*FEB
\$20.30	\$20.30	\$20.30	\$20.30	\$20.30	\$20.30	\$20.30	\$20.30	\$20.30	\$20.30	\$20.30	\$20.30	\$20.30
21.64 (FEB)	22.83 (JAN)	20.38 (JAN)	23.09 (JAN)	21.80 (DEC)	22.30 (DEC)	21.80 (DEC)	22.30 (DEC)	21.80 (DEC)	22.30 (DEC)	21.80 (DEC)	22.30 (DEC)	21.80 (DEC)
<b>*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)</b>												
CL I ADV ↑↑	CL II ↑↑	CL III ↑↑	CL IV ↑↑	ALL-MILK-U.S.	ALL-MILK-PA	<b>*CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW</b>						
19.71 (JAN)	19.84	18.36	19.88	20.80	21.50	WEIGHTED AVG. 4-WK	JAN. 1-29, 2022	JAN. 2022	PRODUCT	VALUE	MAKE ALLOW	NET
MONTH AGO						CHEESE	1.8978	0.2003	1.6975	↑↑	PROT	2.3563
YEAR AGO						BUTTER	2.6130	0.1715	2.4715	↑↑	B.FAT	2.9567
15.54	14.18	16.04	13.75	18.50	18.80	NFDM	1.6488	0.1678	1.4810	↑↑	N.FAT	1.4662
MONTH AGO						DRYWHEY	0.7087	0.1991	0.5096	↑↑	OTHER	0.5249
YEAR AGO						<b>*NEW COMPONENTS</b>						
15.54	14.18	16.04	13.75	18.50	18.80	CHEESE	1.8978	0.2003	1.6975	↑↑	PROT	2.3563
MONTH AGO						BUTTER	2.6130	0.1715	2.4715	↑↑	B.FAT	2.9567
YEAR AGO						NFDM	1.6488	0.1678	1.4810	↑↑	N.FAT	1.4662
15.54	14.18	16.04	13.75	18.50	18.80	DRYWHEY	0.7087	0.1991	0.5096	↑↑	OTHER	0.5249

CATTLE - DAIRY PURPOSES(\$/HD) NORTHEAST (Avg. Feb. 9, 2022 sale New Holland, PA)												
COWS: Fresh    Bred    Springing    HEIFERS: Bred    Springing    Beef x    Open: 300-600 lbs    Beef X    600-900 lbs    900-1100 lbs    BULLS(1000 lb)												
1200    1325    1350    1175    1100    850    N/A    N/A    575    1150    1125												
MONTH AGO COMPARISON												
1200    1150    1200    900    1150    N/A    375    N/A    625    750    N/A												
FED HOLSTEIN STEERS (\$/CWT LIVELINE)												
CURRENT    Beef X    WEEK AGO    YR AGO												
Choice & Prime 1250-1550 lbs light test    111.35    210.00    113.85    75.00    ↓↓												
BULL CALVES:    No. 1 & 2, 90-130 lbs    113.00    210.00    104.00    95.00    ↑↑												
70-85 lbs    108.00    210.00    112.00    95.00    ↓↓												
brought to you by:												
FARM SHINE												
pennsylvania DEPARTMENT OF AGRICULTURE												