

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — MAR. 8, 2023 — except where noted



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2022 Milk Production: Each February, the USDA's Milk Production report contains annualized cow numbers, milk production, and licensed dairy farm numbers. The following is a summary of some of the data contained within the report. U.S. total milk production remained relatively flat compared to 2021, increasing only 0.1% to 226.5 billion pounds during 2022. Cow numbers averaged 9.402 million during 2022. This is a reduction, relative to 2021, of 47,000 cows. With a slight increase in total production last year but fewer cows, it means the average U.S. dairy cow was more efficient in 2022 than she was in 2021. The average milk cow produced 138 (+0.06%) more pounds of milk during 2022 than she did in 2021 at 24,087 pounds. 2022 marked the first year that the average U.S. cow produced more than 24,000 pounds during a single year. California continues to lead the country in total cows and total milk production, with 1.722 million cows producing a total of 41.7 billion pounds of milk. This is nearly 10 billion pounds more than the second highest, Wisconsin, at 31.88 billion pounds of milk produced by 1.272 million cows. Michigan continues to lead the nation in milk efficiency with a state herd average milk production per cow of 27,430 pounds. This is 328 pounds more milk per cow than the 2021 average. Wisconsin leads the nation in number of licensed dairies with 6,350. Pennsylvania is second with 5,000 dairies.

seventh state with the most total milk production. Both Michigan (6th) and Minnesota (7th) produce more milk than Pennsylvania does with fewer cows because the efficiency of the cows in those states is much better than Pennsylvania.

The number of licensed dairy farms in the U.S. continued its decades-long trend of declining. The U.S. finished 2022 with 27,932 dairies. This is 1,910 dairies (-6.4%) less than 2021. No state in the Union was able to increase its number of licensed dairy farms, and only 15 states were able to maintain the same number of dairies they had in 2021. The decades-long trend of consolidation continued last year.

The average U.S. herd size grew by 21 cows (+6.6%) in 2022 to 337 cows per dairy farm. Pennsylvania dairy farms did not decline as steeply as the national average, but the Commonwealth lost 200 dairies (-3.8%) compared to 2021. Consolidation continued in Pennsylvania with the average herd size increasing by 3 cows (+3.2%) to 94 cows per dairy. Pennsylvania's average herd size ranks as the third lowest average in the nation, with Massachusetts (82) and Rhode Island (50) the only states with a smaller herd size. New Mexico ranks as the ninth largest dairy state in terms of total milk production. However, it has the largest average dairy size at 2,618 cows per dairy. This is a decrease in New Mexico's herd size compared to 2021 when the average dairy had 2,650 cows. Arizona has the second largest herd size at 2,463 cows per dairy.

2022 Final Numbers for the Top 8 Dairy States

	Total Cows (1,000s)	Milk/Cow, Lbs.	Total Production (millions#)	Licensed Dairies	Avg Herd Size
CA	1,722	24,267	41,787	1,115	1,544
WI	1,272	25,064	31,882	6,350	200
ID	656	25,348	16,628	410	1,600
TX	646	25,579	16,524	320	2,019
NY	624	25,096	15,660	3,210	194
MI	428	27,430	11,740	1,010	424
MN	453	23,128	10,477	2,035	223
PA	468	21,259	9,949	5,000	94
U.S.	9,402	24,087	226,462	27,932	337

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 — MAR. 8, 2023 AT THE CLOSE

	MAR-23	APR-23	MAY-23	JUN-23	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	TREND			
CLASS III MILK FUTURES (\$/CWT) vs. week ago: <i>Futures \$0.10-0.25 lower across the board.</i>	17.68	17.51	17.75	18.23	18.80	19.25	19.50	19.65	19.66	19.27	19.06	18.85	12-Month Avg. 18.76 ↓↓			
CLASS IV MILK FUTURES (\$/CWT) vs. week ago: <i>Mar-Oct down \$0.20-0.30, Nov-Dec down \$0.05-0.10; Jan-Feb24 steady to \$0.10 higher.</i> 12-Month Avg. 19.19 ↓↓	18.30	18.09	18.33	18.76	19.03	19.40	19.68	19.90	20.10	20.00	19.50	19.21	↓↓			
CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium	17.50 0.06	17.50 0.33	17.75 0.57	18.25 0.67	18.75 0.78	19.25 0.91	19.50 0.99	19.75 1.12	19.75 1.15	19.25 1.16	19.00 1.13	18.75 1.16				
MILK BASIS (\$/CWT) — PA BASIS & 2016-19 AVG OF PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)	PA 1.53	2.29	1.82	1.58	0.99	1.03	0.95	0.79	0.60	0.79	1.17	0.62				
*AVG 2.55	2.15	1.66	1.45	1.25	1.31	1.15	0.67	0.74	1.38	0.85	1.67					
DMC OFFICIAL GROSS MARGINS 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	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	*JAN-23	TREND
DMC	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	9.76	*7.94	↓↓

U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report															
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	JAN-23	FEB-23
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	266.60	*297.25 ↑↑
U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report															
1062	1152	1151	1237	1253	1390	1278	1184	1350	1407	1265	1310	1290	1300	1250	*1352 ↑↑

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	
6.344	6.254	6.140	5.684	5.580	5.664	5.712	5.726	5.424	5.312	5.372	5.394	↓↓	
WEEK AGO													
6.404	6.356	6.256	5.822	5.692	5.772	5.822	5.834	5.530	5.422	5.480	5.500		

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	
498.4	485.7	476.9	464.4	448.2	435.3	432.0	426.1	414.7	408.6	406.8	402.5	↑↑	
WEEK AGO													
490.4	470.3	461.0	448.0	432.0	419.6	417.2	412.6	404.2	399.0	397.1	393.3		

*NEW PA MILK MARGIN & IOFC—LATEST PSU VALUES — *DEC 2022				CME DAIRY CASH-SETTLED FUTURES (\$/LB) 03/08/23								SPOT CASH TREND	
FEED =	FEED COST	IOFC (\$/COW	PA MILK MARGIN	MAR	APR	MAY	JUN	JUL	AUG	SEP			03/08/23
\$/CWT.	(\$/CWT milk)	@ 75 lbs milk)	(\$/CWT milk)	NFDM	1.200	1.196	1.204	1.234	1.260	1.285	1.315	↓	1.1650 ↓
	*DEC (estimated)	*9.45 ↑↑	*12.04 ↓↓	WHEY	0.401	0.381	0.370	0.368	0.380	0.380	0.397	↓	0.4400 ↓
IOFC =	PREV MO	9.22	13.01	BUTTER	2.389	2.340	2.375	2.412	2.445	2.462	2.485	↓	2.3300 ↓
\$/COW	YR AGO	8.51	10.34	CHEESE	1.810	1.816	1.850	1.891	1.953	2.001	2.022	↑	See Below
	Covers ONLY lactating feed, based on 75 lb herd avg, Buff., NY soy price		13.79	CME SPOT CHEESE: BARRELS 1.6975 / 40 LB BLOCKS 1.7975 ↑ / ↓									

*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)														
*CL I ADV ↓↓	*CL II ↓↓	*CL III ↓↓	*CL IV ↓↓	*ALL-MILK-U.S	*ALL-MILK-PA	WEIGHTED AVG. 4-WK FEB. 1-25, 2023								*FEB 2023
*18.99(MAR)	*20.83(FEB)	*17.78(FEB)	*18.86(FEB)	*23.10(JAN) ↓↓	*23.90(JAN) ↓↓	PRODUCT	VALUE	MAKE ALLOW	NET	COMPONENTS				
				4.23F	4.14F	*CHEESE	1.8224	0.2003	1.6221 ↓↓	*PROT	2.3650 ↓↓			
						*BUTTER	2.4158	0.1715	2.2443 ↓↓	*B.FAT	2.7178 ↓↓			
						*NFDM	1.2553	0.1678	1.0875 ↓↓	*N.FAT	1.0766 ↓↓			
						*DRYWHEY	0.4031	0.1991	0.2040 ↓↓	*OTHER	0.2101 ↓↓			

CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. Mar. 1, 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)		
1450	1485	1550	1400	1525	1075 LTD	625	N/A	900	N/A	1175	1125 LTD		
WEEK AGO COMPARISON													
1525	1450	1550 LTD	1200	1325	925	575	N/A	825	N/A	925	925		

Avg. of prices reported by USDA Market News for PA Auction Markets March 2-7, 2023				FED HOLSTEIN STEERS (\$/CWT LIVELINEWEIGHT)					
Premium White	Breakers	Boners	Lean	Choice & Prime	1250-1550 lbs light test	CURRENT	Beef X	WEEK AGO	YR AGO
94.00 ↑↑	88.75 ↑↑	82.10 ↑↑		172.00	360.00	136.25	131.00	112.00	↑↑
93.75	83.85	77.85		177.00	375.00	175.00	175.00	130.00	↓
91.35	81.60	69.85				175.00	175.00	112.00	↑↑

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