

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — MAR. 30, 2021 — except where noted

SAFETY: I wanted to take this week's article, as we get into warmer weather prior to the full swing of spring planting, to remind everyone the importance of safety. In addition to the normal dangers associated with working in agriculture, COVID-19 ushered in a new concern relative to the safety and health of farm workers. I have not seen any estimates on how many agriculture workers have tested positive for COVID-19 since the pandemic began, but I would wager that each of you reading this knows of someone who at least had symptoms if not tested positive. The pandemic is still around, and there are still more people not vaccinated than those who have been vaccinated across the state and country. Despite some of the information you may have heard, masks and social distancing practices do make a difference. Please continue to follow Center for Disease Control and state/local guidelines to help protect yourself, your family, friends, and neighbors.

Agriculture is consistently in the top 10 occupations for most work-related deaths from year to year. Each year, the U.S. Bureau of Labor Statistics releases statistics related to injuries, illnesses, and fatalities while on the job. The most recent data reported are from 2019. There were 5,333 work-related fatal accidents across private sector jobs in 2019. Of those fatal accidents, 221 occurred as the result of crop production activities, and 189 were the result of animal production or aquaculture-related activities. Normal dairy-related activities accounted for nearly 8% of all work-related fatal accidents in 2019. The total number of fatalities in the broader agriculture industry resulted in 23.2 fatal accidents per 100,000 full-time equivalent workers or the ninth highest category overall. For comparison, the fatal injury rate across all private sector workers in the U.S. is 3.5 per 100,000. Agriculture-related nonfatal injuries in the broader agriculture industry result in 5.2 injuries per 100 full-time workers, which leads all other categories. 1.7 of these injuries results in missed workdays. This incidence rate is second only to the transportation and warehousing category with 2.0 injuries resulting in lost workdays.

You work in a dangerous job. Fortunately, a lot of incidents can be avoided by staying focused and remembering to pay attention to what you are doing. Many, or perhaps most, accidents happen because of human error. To illustrate this point, let me use myself as an example for the story that goes along with the included picture. As I have mentioned before, my family's dairy was in the foothills in the northwestern corner of North Carolina. One of our fields was a small 6-acre field at the top of a paved road where we double cropped corn and triticale. Each spring and fall we would spread manure prior to planting. Even though the road was paved, the hill up to the field was so steep that the operator had to stop at the bottom of the hill and downshift to eighth gear so that the tractor would not stall while pulling a 6,300-gallon load of manure. I learned the hard way that you cannot downshift fast enough to keep the tractor from stalling at its steepest point. On my second to last load of having the field covered, I had other things on my mind and did not remember to stop and downshift prior to ascending the hill. The picture is the result of that mistake. At the back of the tanker where you cannot see is a 15-foot or more almost vertical drop. Thankfully, I was not hurt, nor was the tractor, and insurance covered the costs of repairing the tanker. Others have not been that fortunate. This spring, while you are completing spring fieldwork, keep your mind on what you are doing so that you increase your chances of not becoming a bad statistic for 2021.



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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. 30, 2021 AT THE CLOSE

	MAR-21	APR-21	MAY-21	JUN-21	JUL-21	AUG-21	SEP-21	OCT-21	NOV-21	DEC-21	JAN-22	FEB-22	TREND
CLASS III MILK FUTURES (\$/CWT) vs. week ago: <i>Apr-Dec 10-30 cents higher; Jan-Feb 10 cents lower.</i> 12-Month Avg. 17.78↑	16.20	17.17	17.56	17.83	18.17	18.27	18.46	18.52	18.24	17.88	17.53	17.51	↑↑
CLASS IV MILK FUTURES (\$/CWT) vs. week ago: <i>Apr-Dec 30-60 cents higher; Jan-Feb steady-10 cents higher.</i> 12-Month Avg. 16.25↑	14.30	15.45	15.69	16.03	16.24	16.41	16.67	16.89	16.99	16.92	16.70	16.70	↑↑
HIGHEST & LOWEST DAILY SETTLE PRICE FOR CL. III OVER LIFE OF CONTRACT & MONTH / YEAR IT OCCURRED													
	18.92 01/21	18.22 01/21	18.40 03/21	18.30 03/21	18.30 03/21	18.33 03/21	18.46 03/21	18.52 03/21	18.30 03/21	18.00 03/21	17.55 03/21	17.51 03/21	
	14.62 03/20	14.56 03/20	14.52 03/20	14.31 03/20	14.50 03/20	14.50 03/20	14.50 03/20	14.21 03/20	14.19 03/20	14.50 03/20	14.25 03/20	14.70 03/20	
MILK BASIS (\$/CWT) — PA BASIS & 2014-16 AVG OF PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)													
PA	1.58	1.19	1.60	1.28	1.01	0.85	1.33	1.87	1.70	2.75	2.30	1.81	
*AVG	2.02	1.25	2.14	1.80	1.12	0.90	1.32	1.82	1.65	2.72	2.70	2.25	
DMC OFFICIAL GROSS MARGINS per cwt. (USDA All-Milk, com/alfalfa hay & Illinois soybean prices, feed for all classes of dairy cattle on the farm)													
DMC	NOV-19	DEC-19	JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUNE-20	JULY-20	SEP-20	OCT-20	NOV-20	DEC-20 *JAN-21
	12.21	11.95	10.72	10.06	9.15	6.03	5.37	9.99	12.41	10.83	9.40	11.13	11.87 8.78 *7.14 ↓↓
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)													
	OCT-19	NOV-19	DEC-19	JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	JUL-20	AUG-20	SEP-20	OCT-20 *NOV-20 *DEC-20 *JAN-21
	13.98	15.29	14.94	13.86	13.18	12.23	8.77	8.06	12.59	15.04	13.43	12.33	14.44 *15.47 *12.51 *11.08 ↓↓
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)													
	13.09	13.76	13.78	13.10	12.20	11.24	8.27	6.79	9.44	12.67	11.10	10.91	11.31 *12.36 *10.53 *10.06 ↓↓

CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium																							
16.25	0.01	17.25	0.13	17.50	0.43	17.75	0.56	18.25	0.88	18.25	0.89	18.50	1.00	18.50	1.02	18.25	1.05	17.75	1.00	17.50	1.01	17.50	1.08
MAY-21				SEP-21		DEC-21		MAR-22		Example Daily Strike Price / Premium	MAY-21		JUL-21		OCT-21		DEC-21						
CORN (\$/BU) OPTIONS — CALLS											SOYMEAL (\$/TON) OPTIONS — CALLS												
5.30		32.70		5.30		26.30		5.00		33.10		5.20		34.70		370		32.80		380		30.70	
6.30		02.60		6.40		07.30		6.40		07.50		7.30		07.50		420		04.40		485		03.00	
																490		04.35		540		03.10	



CORN FUTURES (\$/BU)													TREND
MAY-21	JUL-21	SEP-21	DEC-21	MAR-22	MAY-22	JUL-22	SEP-22	DEC-22	MAR-23	MAY-23	JUL-23		
5.642	5.474	4.960	4.774	4.854	4.904	4.924	4.596	4.472	4.540	4.576	4.604		
WEEK AGO													
5.532	5.372	4.866	4.690	4.766	4.814	4.832	4.454	4.356	4.430	4.500	4.294		

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	SOYMEAL FUTURES (\$/TON)												
	MAY-21	JUL-21	AUG-21	SEP-21	OCT-21	DEC-21	JAN-22	MAR-22	MAY-22	JUL-22	AUG-22	SEP-22	TREND
	423.2	424.8	419.6	410.7	399.6	397.5	394.2	383.9	380.9	381.0	378.5	374.1	↑↑
	WEEK AGO												

WEEK AGO																
	401.0	402.0	396.1	386.4	373.8	371.4	367.8	361.7	360.5	361.3	358.9	354.3				
*=NEW	PA MILK MARGIN & IOFC—LATEST PSU VALUES – *JAN. 2020						CME DAIRY CASH—SETTLED FUTURES (\$/LB) 03/30/21							SPOT CASH TREND		
FEED = \$/CWT.	FEED COST (\$/CWT milk)			IOFC (\$/COW @ 75 lbs milk)		PA MILK MARGIN (\$/CWT milk)		MAR	APR	MAY	JUN	JUL	AUG	SEP	03/30/21	
	*JAN. (estimated) *8.15↑			*7.55 ↓		*10.06 ↓		NFDM	1.120	1.160	1.180	1.210	1.225	1.248	1.259	↑↑
	*PREV MO *8.27			*7.90		*10.53		WHEY	0.549	0.588	0.580	0.560	0.544	0.530	0.525	Mixed
	YR AGO 7.10			9.83		13.10		BUTTER	1.613	1.795	1.830	1.850	1.870	1.880	1.900	↑↑
								CHEESE	1.603	1.677	1.716	1.757	1.805	1.824	1.845	↑↑
																See Below
								CME SPOT CHEESE: BARRELS 1.4800 / 40 LB BLOCKS 1.7475								↑↑

USDA DEC-20. NEW * ALL-MILK BF *MAILBOX										CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. March 24, 2021 sale New Holland, PA)									
* = 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 MAR. 1-27, 2021									
15.51(APR) *15.07(MAR) *16.15(MAR) *14.18(MAR) *17.10(FEB)↓ *17.40(FEB)↑										MAR. 2021									
										PRODUCT VALUE MAKE ALLOW NET COMPONENTS									
MONTH AGO																			
15.20 14.00 15.75 13.19 17.50 17.30										*CHEESE 1.5981 0.2003 1.3978 ↑↑ *PROT 2.6954 ↓↓									
YEAR AGO										*BUTTER 1.5898 0.1715 1.4183 ↑↑ *B.FAT 1.7176 ↑↑									
16.64 16.75 16.25 14.87 18.90 19.40										*NFDM 1.1169 0.1678 0.9491 ↑↑ *N.FAT 0.9396 ↑↑									
										*DRYWHEY 0.5537 0.1991 0.3546 ↑↑ *OTHER 0.3652 ↑↑									

CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. March 24, 2021 sale New Holland, PA)											
COWS: Fresh Bred Springing HEIFERS: Bred Beef x (bred) Springing Open: 300-600 lbs Beef X 600-900 lbs 900-1000 lbs BULLS (1100-1300 lbs)											
950 710 950			935 700 925			375 N/A 725			N/A 825		
MONTH AGO COMPARISON											
1075 800 1200			750 N/A 825			350 N/A 400			N/A 990		
Avg. of prices reported by USDA Market News for PA Auction Markets Mar. 25-30, 2021											
CULL MARKET COWS (\$/CWT LIVEWEIGHT)											
Premium White Breakers Boners Lean											
64.10 61.75 52.25											
WEEK AGO											
N/A 67.60 60.35 45.85											
YEAR AGO											
N/A 66.60 66.50 57.85											

FED HOLSTEIN STEERS (\$/CWT LIVEWEIGHT)					CURRENT Beef X		WEEK AGO		YR AGO	
Choice & Prime 1250-1550 lbs light test					91.00		90.00		86.85	
BULL CALVES: No. 1 & 2, 90-130 lbs					110.00 205.00		110.00		80.00	
70-85 lbs					105.00 N/A		120.00		63.00	

Price averages do not include lower-end 'common'

Average to high dressing

PA Auction Markets Mar. 25-30, 2021

CULL MARKET COWS (\$/CWT LIVEWEIGHT)

Premium White Breakers Boners Lean

64.10 61.75 52.25


WEEK AGO


N/A 67.60 60.35 45.85


YEAR AGO

N/A 66.60 66.50 57.85

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