

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — APR. 5, 2023 — except where noted

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The 2022 PA Corn and Soybean Yield: Like most years, the 2022 growing season in Pennsylvania was not consistent across the state. Some portions of the state experienced drought conditions while other parts of the state were too wet at times. According to the USDA Crop Production Annual Summary released back in January, the result was reduced corn grain, corn silage, and soybean production across the Keystone State relative to 2021. Wet spring weather played a part in reduced acres of corn and soybeans planted. Drier weather in some parts of the state led to an overall reduced yield per acre for each of these commodities.

Farmers across Pennsylvania planted a total of 1.18 million acres of corn. Of that, 840,000 acres were harvested for grain and 305,000 acres were harvested for corn silage. This left 35,000 acres unharvested.

A total of 600,000 acres of soybeans were planted across the Commonwealth with 590,000 acres harvested, leaving 10,000 acres unharvested. Pennsylvania's total corn grain production totaled 118 million bushels (bu) with an average yield of 140 bu per acre, while corn silage production equaled 5.49 million tons or 18 tons/acre. Soybean production hit 25.4 million bu with a yield of 43 bu per acre.

More recently, county data was finalized and made available on the USDA National Agricultural Statistics Service (NASS) website on its "Quick Stats" query system at https://www.nass.usda.gov/Quick_Stats/Lite/. This site allows users to sort national, state, and county level commodity data.

The top 5 corn grain producing counties in Pennsylvania during 2022 accounted for 23% of the total harvested acres but 29% of total production. York County produced the most corn (12.89 million bu), followed by Lancaster (7.29 million bushels), Franklin (5.52 million bu), Chester (4.38 million bu), and Crawford (3.94 million bu). In terms of yield, Chester County had the highest as the only county to surpass 200 bu. per acre at 209.5. The top 5 corn silage producing counties accounted for 34% of the harvested acres and 38% of total production. Lancaster County led the state in both total production and yield with

796,000 tons of corn silage coming from a 23 tons per acre yield. Franklin (450,000 tons), Berks (433,000 tons), Blair (214,000 tons), and Huntingdon (211,000 tons) complete the top 5 corn silage production counties.

County soybean rankings in the top 3 producing counties mimic corn grain with York leading the way (2.47 million bu), followed by Lancaster (1.36 million bu), and Franklin (1.13 million bu). Berks and Adams counties rounded out the top 5 with 1.10 million bu and 1.08 million bu, respectively. The top 5 soybean producing counties accounted for 25% of the harvested acres and 28% of the total production during 2022. Soybean yield among the top 5 producing counties lagged other counties with Franklin County being the only county to remain in the top 5 in terms of yield. At 55.8 bu per acre, Franklin County ranked 4th in the state while Bedford County had the highest yield at 58.1 bu per acre while only ranking 13th in total production.

The February DMC margin was announced late last week as \$6.19 per cwt. This triggers a \$3.31 per cwt indemnity on 1/12 of enrolled production history. This is equivalent to \$2,601 per 1 million pounds enrolled in the DMC program up to the 5-million-pound cap after subtracting the 5.7% sequestration fee levied on government payments as approved by the U.S. Congress. The February payment easily pays for the remaining three cents per cwt of premiums and fees that the January payment did not cover and provides a net benefit for the year (to-date) of 23 cents per cwt.

Based on the DMC Decision Tool March 30th, DMC margins are expected to remain below the maximum \$9.50 margin coverage level through October.

PA's Top Two Production Counties

	County	Total Production	Unit
Corn Grain	York	12,889,000	Bushels
	Lancaster	7,291,000	Bushels
Corn Silage	Lancaster	796,000	Tons
	Franklin	450,000	Tons
Soybean	York	2,465,000	Bushels
	Lancaster	1,357,000	Bushels

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 — APR. 5, 2023 AT THE CLOSE

	APR-23	MAY-23	JUN-23	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	MAR-24	TREND			
CLASS III MILK FUTURES (\$/CWT) vs. week ago: <i>Apr. dn \$0.80, May dn \$0.40, Jun-Sep dn \$0.10-0.20, rest of board steady to weak.</i>	18.67	18.06	18.29	18.79	19.21	19.52	19.60	19.53	19.26	18.90	18.75	18.71	12-Month Avg. 18.94 ↓↓			
CLASS IV MILK FUTURES (\$/CWT) vs. week ago: <i>Apr-Dec23 \$0.15 to mostly \$0.40 lower, spots off \$0.45; Jan-Mar24 mostly steady.</i>	17.90	17.60	17.80	18.16	18.54	18.83	19.00	19.40	19.20	19.36	19.20	19.10	12-Month Avg. 18.67 ↓↓			
CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium	18.75 0.18	18.00 0.41	18.25 0.61	18.75 0.78	19.25 0.96	19.50 1.00	19.50 1.02	19.50 1.14	19.25 1.19	19.00 1.24	18.75 1.24	18.75 1.33				
MILK BASIS (\$/CWT) — PA BASIS & 2016-19 AVG OF PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)	PA 2.29	1.82	1.58	0.99	1.03	0.95	0.79	0.60	0.79	1.17	0.62	1.53				
AVG 2.15 1.66 1.45 1.25 1.31 1.15 0.67 0.74 1.38 0.85 1.67 2.55																
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																
DMC 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	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	*6.19	↓↓

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 ↑↑
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CORN FUTURES (\$/BU)

MAY-23	JUL-23	SEP-23	DEC-23	MAR-24	MAY-24	JUL-24	SEP-24	DEC-24	MAR-25	MAY-25	JUL-25	TREND
6.526	6.274	5.682	5.592	5.606	5.682	5.732	5.746	5.460	5.350	5.416	5.432	↓↓
WEEK AGO												
6.504	6.304	5.792	5.704	5.784	5.832	5.842	5.540	5.426	5.492	5.510	5.514	

SOYMEAL FUTURES (\$/TON)

MAY-23	JUL-23	AUG-23	SEP-23	OCT-23	DEC-23	JAN-24	MAR-24	MAY-24	JUL-24	AUG-24	SEP-24	TREND
450.6	446.8	438.6	427.0	417.5	415.4	410.9	401.2	395.9	394.6	390.7	386.0	MIXED
WEEK AGO												
458.2	453.8	443.4	430.3	418.9	415.8	410.3	399.7	393.5	391.6	387.8	383.3	

***NEW PA MILK MARGIN & IOFC-LATEST PSU VALUES - *FEB 2023**

FEED COST	IOFC (\$/COW)	PA MILK MARGIN
(\$/CWT)	(\$/CWT milk)	@ 75 lbs milk (\$/CWT milk)
*FEB (estimated)	*9.38 ↓↓	*9.99 ↓↓
PREV MO	9.61	10.71
YR AGO	8.61	12.82

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

CME DAIRY CASH-SETTLED FUTURES (\$/LB) 04/05/23

	APR	MAY	JUN	JUL	AUG	SEP	SPOT CASH	TREND
NFDM	1.160	1.130	1.135	1.159	1.192	1.210	1.231	1.1300 ↓↓
WHEY	0.420	0.388	0.370	0.370	0.370	0.379	0.400	0.4100 ↓↓
BUTTER	2.385	2.360	2.385	2.410	2.440	2.450	2.480	2.3175 ↓↓
CHEESE	1.903	1.861	1.899	1.951	1.995	2.020	2.020	See Below

CME SPOT CHEESE: BARRELS 1.7500 / 40 LB BLOCKS 1.8125 ↓↓ / ↓↓

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

CL I ADV ↓↓	*CL II ↓↓	*CL III ↑↑	*CL IV ↓↓	*ALL-MILK-U.S.	*ALL-MILK-PA
18.85(APR)	*19.52(MAR)	*18.10(MAR)	*18.38(MAR)	*21.60(FEB) ↓↓	*23.90(FEB) ↓↓
MONTH AGO					
18.99	20.83	17.78	18.86	23.10 4.23F	23.90 4.14F
YEAR AGO					
24.38	24.76	22.45	24.82	24.70 4.18F	25.70 4.11F

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

PRODUCT	VALUE	MAKE ALLOW	NET	*MAY 2023 COMPONENTS
*CHEESE	1.8399	0.2003	1.6396 ↑↑	*PROT 2.4085 ↑↑
*BUTTER	2.4258	0.1715	2.2543 ↑↑	*B.FAT 2.7300 ↑↑
*NFDM	1.1935	0.1678	1.0257 ↓↓	*N.FAT 1.0154 ↓↓
*DRYWHEY	0.4261	0.1991	0.2270 ↑↑	*OTHER 0.2338 ↑↑

CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. Mar. 29, 2023 sale New Holland, PA)

COWS: Fresh	Bred	Springing	*HEIFERS: Bred	Springing	Beef x	Open: 300-600 lbs	Beef X 600-900 lbs	Beef X 900-1100 lbs	BULLS(900+ lbs)
1615	1450	1425	1505	1475	N/A	N/A	N/A	N/A	1045 LTD
WEEK AGO COMPARISON									
1550	1600	1750 LTD	N/A	N/A	N/A	N/A	N/A	N/A	1075 LTD

FED HOLSTEIN STEERS (\$/CWT LIVELINE)

Choice & Prime 1250-1550 lbs light test	CURRENT	Beef X	WEEK AGO	YR AGO
	134.75		137.00	116.00 ↓↓

BULL CALVES:

No. 1 & 2, 90-130 lbs	70-85 lbs	CURRENT	Beef X	WEEK AGO	YR AGO
		275.00	460.00	275.00	175.00 NC
		325.00	350.00	285.00	185.00 ↓↓

PAU Auction Markets March 30-Apr. 4, 2023 CULL MARKET COWS (\$/CWT LIVELINE)

Premium White	Breakers	Boners	Lean
94.35 ↑↑	84.60 ↑↑	73.35 ↓↓	
WEEK AGO			
N/A	93.85	84.50	78.50
YEAR AGO			
N/A	93.35	86.25	80.50

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Average to high dressing