

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — APR. 26, 2023 — except where noted



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**APRIL:** The improvement in Class III milk prices that were seen in March did not continue into April. Class IV milk prices stabilized somewhat from previous months' drops but continued a downward trajectory.

Slightly increased milk production, coupled with building dairy product stocks, have resulted in lower dairy product prices across the board. This is bringing Class III and IV milk prices down along with it.

As of closing prices on April 25, the 12-month average Class III milk price has fallen 43 cents per cwt since the end of March to \$18.69 per cwt. Class IV milk prices have been falling for several months now, and that trend continued through April at a slower rate compared to previous months. The average Class IV milk price fell just eight cents per cwt relative to the end of March to \$18.82. Class III and IV milk prices continue to be above the 5-year average by 71 cents and \$1.59 per cwt, respectively.

The U.S. added 31,000 cows to its herd since last March, ending the month with 9.435 million head (+0.3%). March was the 4th consecutive month to increase in herd size over the previous month, up 6,000 head from February. Milk cow efficiency was basically flat, with the average U.S. dairy cow producing 2,099 pounds of milk, 4 pounds (+0.1%) more than she did last year.

The increased national herd size and slight increase in production per cow led to a 0.5% (+90 million pounds) increase in total milk production.

Although Pennsylvania's herd size decreased 1,000 cows compared to last March, it was the 3rd consecutive month to maintain 466,000 cows. Milk production per cow was virtually identical at 1,870 pounds of milk per cow during March 2023. This was just one pound more than last year. With the reduction in cow numbers and the same milk production across the Commonwealth, it would be expected for total milk production to be down. This was indeed the case with total milk production fall-

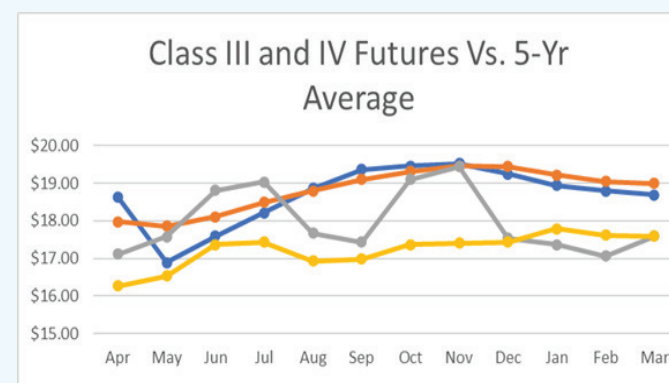
ing 2 million pounds (-0.2%) to 871 million pounds.

Based on the most recent dairy product disappearance data (February 2023), demand for dairy products is positive, but not growing much.

Butter disappearance experienced the greatest percentage of growth compared to February 2022 at 13% -164.4 million pounds of butter was sold during February. All the growth came from a 22.6-million-pound increase in domestic use as export usage decreased by 3.6 million pounds.

Nonfat dry milk/skim milk powder (NDM/SMP) disappearance increased 8% to 175 million pounds because of 3.3-million-pound increase in domestic use that overwhelmed a 700,000 pounds drop in exports.

Lastly, total cheese disappearance (American-style cheese plus other-style cheese) increased 301 million pounds (+3%) to 1.13 billion pounds. This is mainly because domestic and export usage of other-style cheeses offset flat to declining domestic and export disappearance of American-style cheeses.



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. 26, 2023 AT THE CLOSE

*AVG =	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			
Average basis for North-East and Mid-East	18.62	16.61	17.18	17.98	18.71	19.19	19.32	19.36	19.04	18.85	18.79	18.69	↓			
*MARGIN = Milk Price over Feed Cost per cwt. YELLOW = payment triggered	17.98	17.80	18.01	18.37	18.66	18.99	19.24	19.29	19.34	19.22	19.05	19.00	MIXED			
<b>CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium</b>																
	18.50	0.01	16.50	0.15	17.25	0.51	18.00	0.72	18.75	0.84	19.25	0.97	19.25	0.96		
<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	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				
<b>DMC OFFICIAL GROSS MARGINS per cwt(USDA All-Milk, com, alfalfa &amp; Ill. soybean, feed for ALL CLASSES of dairy cattle on farm) Updated with NEW prem. alfalfa feed cost</b>																
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	TREND
	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																
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	*MAR-23	TREND
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	*277.00	↓

U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report																
1152	1151	1237	1253	1390	1278	1184	1350	1407	1265	1310	1290	1300	1250	1352	*1342	↓

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
6.436	6.016	5.464	5.432	5.530	5.590	5.626	5.538	5.280	5.362	5.382	4.964		↓
WEEK AGO													
6.722	6.364	5.684	5.630	5.712	5.762	5.780	5.532	5.442	5.514	5.534	5.516		

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
427.2	427.9	421.8	411.9	404.0	402.7	400.3	393.7	390.1	389.7	387.3	383.9		↓
WEEK AGO													
454.4	452.0	442.2	428.5	418.6	416.4	413.2	404.0	398.4	396.5	392.9	388.5		

*NEW PA MILK MARGIN & IOFC-LATEST PSU VALUES - *FEB 2023					CME DAIRY CASH-SETTLED FUTURES (\$/LB) 04/26/23					SPOT CASH TEND						
FEED COST	IOFC (\$/COW)	PA MILK MARGIN (\$/CWT milk)	@ 75 lbs milk	(\$/CWT milk)	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TREND
*FEB (estimated)	*9.38	*9.99	*17.03		1.167	1.143	1.169	1.191	1.210	1.235	1.260	1.285	1.310	1.335	1.360	1.1650
PREV MO	9.61	10.71	17.93		0.438	0.375	0.347	0.350	0.346	0.352	0.375	0.390	0.405	0.420	0.435	0.3450
YR AGO	8.61	12.82	17.09		2.400	2.385	2.390	2.410	2.440	2.473	2.481	2.500	2.515	2.530	2.545	2.4000
Covers ONLY lactating feed, based on 75 lb herd avg, Buff., NY soy price					CHEESE 1.887 1.719 1.795 1.877 1.960 2.005 2.014					CME SPOT CHEESE: BARRELS 1.4900 / 40 LB BLOCKS 1.6425		↓ / ↓				

*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 1-31, 2023	*MAR 2023 COMPONENTS				
19.57(MAY)	19.52(MAR)	18.10(MAR)	18.38(MAR)	21.60(FEB)	23.90(FEB)		PRODUCT	VALUE	MAKE ALLOW	NET	PROT	2.4085	
MONTH AGO							BUTTER 2.4258 0.1715 2.2543			B.FAT 2.7300			
YEAR AGO							NFDM 1.1935 0.1678 1.0257			N.FAT 1.0154			
25.45	24.76	22.45	24.82	24.70	25.70		DRYWHEY 0.4261 0.1991 0.2270			OTHER 0.2338			

CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. April 19, 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(800-1300lbs)														
1575LTD			1500LTD			1500			1490			1550		
WEEK AGO COMPARISON														
1650			1725			1450			1425			1500		
1000 LTD 430 N/A 875 600 LTD 1095 800 LTD														
FED HOLSTEIN STEERS (\$/CWT LIVELWEIGHT) CURRENT Beef X WEEK AGO YR AGO														
Choice & Prime 1250-1550 lbs light test 133.00 LTD 130.00 118.50														
BULL CALVES: No. 1 & 2, 90-130 lbs 260.00 500.00 260.00 475 180.00														
70-85 lbs 275.00 485.00 250.00 475 165.00														

Price averages do not include lower-end common

Average to high dressing

Premium White	Breakers	Boners	Lean
98.60	96.10	84.25	
WEEK AGO			
95.35	88.35	80.10	
YEAR AGO			
82.10	75.25	71.10	

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