CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — **MAY 11, 2022** — except where noted

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Early Spring crop progress: It seems to me that Southcentral Pennsylvania has been cooler this year than the previous three springs that I have been here. The latest USDA Crop Progress report published May 9 appears to confirm my personal observations. Spring planting of corn and soybeans is well behind last year and the 5-year average (2017-2021). Only the southern states are at or near the 5-year average. I have talked with a couple of contacts in the Midwest, and they also say that it has been cooler than normal and planting in that region is behind schedule.

The top 18 states in corn production make up 92% of the total corn acreage planted in 2021. These top 18 states, which include Pennsylvania at number 16 with 1.33 million acres of corn planted in 2021, have only planted 22%, on average, of the 2021 acreage. This is behind 2021 at 64% planted and the 5-year average of 50% planted by the end of the first full week of May. However, many of the Midwestern states and Pennsylvania are well below their respective 5-year averages, thus bringing down the overall average. Iowa, the leading corn producer in terms of total acreage and total corn production has only 14% of its acreage planted, 49 percentage points below the 63% 5-year average. Iowa had already planted 84% of its acreage by this time in 2021. The corn belt states have a combined average of 16% of their 2021 acreage planted, which is far below last year's 56% planted and the 5-year average of 43% planted by this time of year. Pennsylvania is not as far behind as the corn belt states but has only planted 13% of its 2021 acreage — 7 percentage points below the 20% 5-year average but 18 percentage points below the first week of May 2021 (31%).

Soybean planting is also behind both last year and the 5-year average. Like corn, the top 18 soybean producing states make up the overwhelming majority of the U.S. acreage representing 96% of total acreage planted. Pennsylvania just misses the top 18 in terms of soybean acreage planted coming in at 19th. As of the week ending May 8, 2022, the top 18 states had 12% of their soybean acreage planted compared to 39% last year and the 5-year average of 24%.

Looking at the soil moisture levels included in the Crop Progress report shows that a wet spring in some areas may be contributing to delayed planting as well. Illinois, Indiana, and Missouri are 3 of the corn belt states that have potentially had wet springs. Topsoil moisture is divided into 4 categories: very short, short, adequate, and surplus. 50%, 46%, and 36%, respectively, of the cropland acreage in these 3 states are in the surplus category. 53% of Pennsylvania's cropland acreage falls into the surplus category. Perhaps this is slightly skewed because of the rain that came through the Midwest and Northeast late last week. However, looking at subsoil moisture which is a better indicator of longer-term soil moisture content shows a similar story. 40% of the cropland acreage in Illinois has subsoil moisture content rated as surplus, 39% in Indiana, and 16% in Missouri. 48% of Pennsylvania's cropland acreage falls into the surplus category.

Hopefully, short-term weather conditions will move to a more conducive forecast for crop work, and corn and soybean planting will get back on schedule. The world grain supply is already being hampered this year by drought in South America and the conflict between Ukraine and Russia. With corn and soybean futures prices still on a net increasing trajectory, we need to have a good growing season across our area to help keep already high feed prices from increasing more drastically.

Corn Acreage planted as of 5/8/22

	% Planted	% Planted, 5-Yr Avg
IA	14	63
IL	15	58
NE	39	57
MN	9	48
SD	11	32
PA	13	20

Top 5 States + Pennsylvania (#16)

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 — MAY 11, 2022 AT THE CLOSE

*AVG = Average basis for North-East and Mid-East

*MARGIN = Milk Price over Feed Cost per cwt. YELLOW = payment triggered

CLASS III MILK FUTURES ($/CWT) vs. wk ago: *May up $0.15; Rest of board down $0.25-0.50.* *12-Month Avg.* 22.18 ↓↓

CLASS IV MILK FUTURES ($/CWT) vs. wk ago: *May up $0.10; Rest of board down $0.10-0.30.* *12-Month Avg.* 22.54 ↓↓

	MAY-22	JUN-22	JUL-22	AUG-22	SEP-22	OCT-22	NOV-22	DEC-22	JAN-23	FEB-23	MAR-23	APR-23	TREND
CLASS III	24.89	23.81	23.78	23.25	22.95	22.90	22.47	21.78	20.88	20.36	19.35	19.75	↓↓
CLASS IV	24.55	23.70	23.55	23.75	23.74	23.20	22.79	22.20	21.45	20.75	20.50	20.35	↓↓

HIGHEST & LOWEST DAILY SETTLE PRICE FOR CL. III CONTRACTS OVER LIFE OF CONTRACT & MONTH/DATE OF OCCURRENCE

	MAY-22	JUN-22	JUL-22	AUG-22	SEP-22	OCT-22	NOV-22	DEC-22	JAN-23	FEB-23	MAR-23	APR-23
High	25.17 04/22	25.10 04/22	24.90 04/22	24.49 04/22	24.40 04/22	23.95 04/22	23.80 03/22	23.43 03/22	23.43 03/22	22.20 03/22	22.08 03/22	22.08 03/22
Low	11.12 04/20	11.20 05/20	11.20 04/20	11.12 05/20	11.20 05/20	11.12 04/20	11.31 04/20	11.20 05/20	11.20 05/20	11.20 05/20	11.72 05/20	11.72 05/20

CLASS III MILK ($/CWT) **OPTIONS — PUTS — Daily Strike Price** / Premium

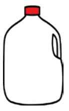
25.00 0.19 **24.50** 0.85 **24.25** 1.19 **23.50** 1.22 **23.25** 1.34 **23.00** 1.37 **22.75** 1.75 **22.00** 1.43 **21.25** 1.58 **20.75** 1.65 **20.25** 1.54 **20.00** 1.52

MILK BASIS ($/CWT) — **PA BASIS & 2016-19 AVG OF PA/NY/VT/OH** — ***YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)***

PA	1.82	1.58	0.99	1.03	0.95	0.79	0.60	0.79	1.17	0.62	1.53	2.29
*AVG	1.66	1.45	1.25	1.31	1.15	0.67	0.74	1.38	0.85	1.67	2.55	2.15

DMC OFFICIAL GROSS MARGINS *per cwt.(USDA All-Milk, corn/alfalfa & III. soybean, feed for all classes of dairy cattle on the farm) Updated with NEW prem. alfalfa feed cost*

DMC	JAN-21	FEB-21	MAR-21	APR-21	MAY-21	JUN-21	JUL-21	AUG-21	SEP-21	OCT-21	NOV-21	DEC-21	JAN-22	FEB-22	*MAR-22	
	6.90	5.97	6.26	6.77	6.67	6.03	5.47	5.03	6.69	8.54	9.14	9.53	11.54	10.98	*11.55	↑↑



U.S. AVG MILK MARGIN *per 100 lbs milk based on 75-lb herd avg & USDA's All-Milk price, USDA-reported corn & alfalfa hay & III. soybean prices (lactating feed only)*

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	JAN-22	*FEB-22	*MAR-22	
12.51	11.25	10.51	10.66	11.31	11.63	10.77	10.19	9.79	10.94	12.46	13.41	14.17	16.51	*16.61	*17.12	↑↑

PA AVG MILK MARGIN *per 100 lbs milk based on 75-lb herd average and USDA's PA All-Milk price, USDA corn & alfalfa hay & Buff., NY soybean prices (lactating feed only)*

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	JAN-22	*FEB-22	*MAR-22	
12.36	10.53	8.56	9.24	9.37	9.76	10.20	10.04	9.82	11.07	12.26	13.48	13.79	16.38	*17.09	*18.35	↑↑

CORN FUTURES ($/BU)

	MAY-22	JUL-22	SEP-22	DEC-22	MAR-23	MAY-23	JUL-23	SEP-23	DEC-23	MAR-24	MAY-24	JUL-24	TREND
	8.022	7.884	7.520	7.356	7.394	7.390	7.340	6.720	6.462	6.522	6.536	6.504	↓↓
WEEK AGO	7.984	7.942	7.526	7.362	7.400	7.412	7.382	6.822	6.604	6.662	6.676	6.650	

SOYMEAL FUTURES ($/TON)

	MAY-22	JUL-22	AUG-22	SEP-22	OCT-22	DEC-22	JAN-23	MAR-23	MAY-23	JUL-23	AUG-23	SEP-23	TREND
	400.6	397.9	393.1	389.6	386.0	383.8	383.5	384.4	381.8	378.2	373.2	374.1	↓↓
WEEK AGO	428.3	418.2	411.7	404.9	397.2	397.3	396.1	392.3	391.5	391.6	387.8	381.7	

***=NEW PA MILK MARGIN & IOFC–LATEST PSU VALUES – *MAR. 2022**

FEED = $/CWT.
IOFC = $/COW

	FEED COST ($/CWT milk)	IOFC ($/COW @ 75 lbs milk)	PA MILK MARGIN ($/CWT milk)
*MAR(estimated)	8.59↓↓	13.76↑↑	18.35↑↑
PREV MO	8.61	12.82	17.09
YR AGO	8.66	6.93	9.24

CME DAIRY CASH-SETTLED FUTURES ($/LB) 05/11/22

	MAY	JUN	JUL	AUG	SEP	OCT	NOV	TREND	SPOT CASH TREND 05/11/22
NFDM	1.785	1.731	1.725	1.729	1.720	1.705	1.700	↓↓	1.7225↓↓
WHEY	0.650	0.585	0.563	0.540	0.535	0.536	0.540	↓↓	0.5675↓↓
BUTTER	2.650	2.600	2.590	2.575	2.562	2.562	2.479	↓↓	2.6350↓↓
CHEESE	2.399	2.333	2.338	2.309	2.278	2.278	2.222	↓↓	See Below

CME SPOT CHEESE: BARRELS 2.3950 / 40 LB BLOCKS 2.3075 ↑↑ / ↓↓

**USDA JAN-22 NEW *

	ALL-MILK	BF	*MAILBOX
*MO	N/A	N/A	$25.02
*N.ENG	$25.20	4.19	$24.62
*FL	$26.10	3.71	$24.04
*WA/OR	$25.60	4.39	$24.00
*IL	$23.80	4.22	$23.90
*NY	$24.70	4.16	$23.90
*PAeast	$24.80	4.13	$23.81
*SE	$25.60	3.78	$23.73
*APP	$25.20	4.19	$23.58
*IA	$23.40	4.35	$23.54
*PAwestern PA only			$23.52
*MN	$23.70	4.43	$23.25
*OH	$23.60	4.11	$23.20
*U.S.	$24.20	4.21	$23.20
*CA	$24.40	4.19	$23.17
*TX	$25.60	4.42	$23.07
*WI	$23.40	4.19	$23.01
*IN	$23.90	4.35	$22.76
*MI	$23.20	4.11	$22.32
*NE/KS	$23.20	4.28	$22.15
*NM	$22.40	4.03	$21.43

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

	CL I ADV↑↑	*CL II↑↑	*CL III↑↑	*CL IV↑↑	*ALL-MILK-U.S	*ALL-MILK-PA
	25.45(MAY)	*25.71(APR)	*24.42(APR)	*25.31(APR)	*25.90(MAR) 4.13F	*26.40(MAR)↑↑ 4.06F
MONTH AGO	24.38	24.76	22.45	24.82	24.70	25.70
YEAR AGO	17.10	15.56	17.67	15.42	17.40	17.90

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

WEIGHTED AVG. 4-WK APR. 1-30, 2022

PRODUCT	VALUE	MAKE ALLOW	NET	
*CHEESE	2.2910	0.2003	2.0907	↑↑
*BUTTER	2.7694	0.1715	2.5979	↑↑
*NFDM	1.8314	0.1678	1.6636	↑↑
*DRYWHEY	0.7394	0.1991	0.5403	↓↓

*APR. 2022 COMPONENTS		
*PROT	3.4239	↑↑
*B.FAT	3.1461	↑↑
*N.FAT	1.6470	↑↑
*OTHER	0.5565	↓↓

CATTLE - DAIRY PURPOSES($/HD) NORTHEAST (Avg. May 4, 2022 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(1000+ lbs)
	1675	1350	1835	1200	1300	1125	400	N/A	875	550	950	925
WEEK AGO COMPARISON	1350	1470	1600	1225	1450	1000	625	N/A	900	N/A	1200	1000

Price averages do not include lower-end 'common'

Avg. of prices reported by USDA Market News for PA Auction Markets May 5-10, 2022

CULL MARKET COWS ($/CWT LIVEWEIGHT

Average to high dressing

	Premium White	Breakers	Boners	Lean
		82.00↑↑	75.60↓↓	69.10↑↑
WEEK AGO	N/A	76.75	77.35	67.25
YEAR AGO	N/A	68.25	66.75	56.85

FED HOLSTEIN STEERS ($/CWT LIVEWEIGHT)

	CURRENT	Beef X	WEEK AGO		YR AGO	
Choice & Prime 1250-1550 lbs light test	115.50		120.85		97.85	↓↓
BULL CALVES: No. 1 & 2, 90-130 lbs	113.00	200.00	155.00	250	180.00	↓↓
70-85 lbs	110.00	280.00	130.00	210	145.00	↓↓

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