

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — MAY 31, 2023 — except where noted

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**June Dairy Month:** June Dairy Month is now in its 87th year. I am sure it looks a lot different than it did back in 1937 when it began as National Milk Month and ran from June 10 to July 10, but the main goal is still the same: to promote dairy's nutrition and wellness attributes to boost sales. There probably are not many of us in the dairy industry that remember the early years, but I know there are many dairy farm families out there with a family legacy that dates back that far and beyond.

The original promotion, in 1937, was started by a group of chain retail stores in a show of support and an effort to help boost farmgate milk prices. They attempted to accomplish this by promoting the nutritional benefits of fluid milk to increase sales and use surplus supply during peak milk production. Most, if not all dairies, in the late 1930s were pasture-based dairies and peak milk coincided with peak grass production, which at the time, happened across the country, on average, during June. Hence, the timing of National Milk Month in June. In 1938, a more widespread initiative was taken under the sponsorship of the National Dairy Council (NDC), which was funded and still is funded by dairy farmers. 1939 saw NDC take over management of the program and changed the name to June Dairy Month to include all dairy products, not just fluid milk. The American Dairy Association (ADA) took over June Dairy Month in the 1950s, and dairy farmers continue to fund June Dairy Month through the national and local checkoff programs today.

Just like in 1937, June Dairy Month today remains a consumer-focused program that highlights the nutritional benefits of milk and other dairy products to increase consumer awareness about dairy products and the dairy farm families who give the products their start. In Wilkesboro, North Carolina from 1942 until 2005, a small milk processing plant took milk from western North Carolina and bottled it to service that area with fresh milk. It was where most of the milk produced on my family's dairy went to be processed for many years. During most of its years of operation, it was a Flav-O-Rich plant and

many of the June Dairy Month events I remember as a kid centered around Flav-O-Rich milk and events at the Wilkes Mall to support the promotion of the event. I have fond memories as a kid helping my mom give dairy tours at our family's dairy around the time of June Dairy Month and going to the Wilkes Mall in Wilkesboro, NC, near where I'm from, to attend events sponsored by local dairy farmers and the Flav-O-Rich dairy processing plant.

The average American is about three generations removed from farming. As such, June Dairy Month has evolved to not only tout the health benefits of milk and dairy products but also to highlight what dairy farm families do to protect the environment and animals they have been entrusted with while producing one of nature's most perfect foods for their community, state, country, and now, the world. Thank you to all the dairy farmers that have been part of June Dairy Month since its inception and continue to fund this great program that brings the great dairy story to consumers each year during the month of June.



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 31, 2023 AT THE CLOSE

	MAY-23	JUN-23	JUL-23	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	MAR-24	APR-24	TREND			
<b>CLASS III MILK FUTURES (\$/CWT) vs. wk ago:</b> Jun-Sep23 down \$0.50-1.00, Oct-Dec23 down \$0.25-0.30, Jan-Apr24 down \$0.05-0.15. <b>12-Month Avg. 17.54</b> ↓↓	16.17	15.41	16.15	17.00	17.95	18.65	18.80	18.40	18.05	17.99	17.98	17.94	↓↓			
<b>CLASS IV MILK FUTURES (\$/CWT) vs. wk ago:</b> Jun23-Apr24 steady-\$0.10 lower. <b>12-Month Avg. 18.71</b> ↓↓	18.12	18.13	18.22	18.41	18.87	19.11	19.20	19.14	19.00	18.91	18.89	18.56	↓↓			
<b>CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium</b>	16.25 0.07	15.25 0.15	16.00 0.35	17.00 0.59	18.00 0.75	18.75 0.87	18.75 0.87	18.50 1.00	18.00 0.92	18.00 0.92	18.00 1.06	18.00 1.09				
<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 1.82	1.58	0.99	1.03	0.95	0.79	0.60	0.79	1.17	0.62	1.53	2.29				
<b>*AVG YELLOW =</b>	1.66	1.45	1.25	1.31	1.15	0.67	0.74	1.38	0.85	1.67	2.55	2.15				
<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 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	↓↓
	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	*6.08	↓↓

	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	*APR-23	
<b>U.S. AVG PREMIUM ALFALFA &amp; ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report</b>	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	*290.00	↑↑
<b>U.S. AVG. BRED COWS &amp; HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1151	1237	1253	1390	1278	1184	1350	1407	1265	1310	1290	1300	1250	1352	1342	*1330	↓↓
<b>U.S. AVG. FRESH COWS per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1205	1293	1486	1468	1496	1341	1571	1417	1384	1701	1526	1531	1436	1487	1493	*1544	↑↑

	JUL-23	SEP-23	DEC-23	MAR-24	MAY-24	JUL-24	SEP-24	DEC-24	MAR-25	MAY-25	JUL-25	SEP-25	TREND
<b>CORN FUTURES (\$/BU)</b>	5.940	5.162	5.216	5.312	5.366	5.380	5.100	5.046	5.126	5.156	5.164	4.792	MIXED
<b>WEEK AGO</b>	5.872	5.152	5.200	5.294	5.350	5.366	5.082	5.052	5.136	5.166	5.172	4.800	

	JUL-23	AUG-23	SEP-23	OCT-23	DEC-23	JAN-24	MAR-24	MAY-24	JUL-24	AUG-24	SEP-24	OCT-24	TREND
<b>SOYMEAL FUTURES (\$/TON)</b>	393.3	387.8	378.1	367.3	365.0	363.0	357.4	353.6	353.2	351.4	349.1	345.6	↓↓
<b>WEEK AGO</b>	402.2	398.7	390.4	381.3	378.9	376.8	371.0	367.0	366.2	363.9	361.1	357.1	

	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TREND
<b>PA MILK MARGIN &amp; IOFC-LATEST PSU VALUES - *MAR 2023</b>													
<b>FEED = \$/CWT</b>	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)										
	*MAR (estimated) *9.67↑↑	*9.02↓↓	*16.28↑↑										
<b>IOFC = \$/COW</b>	PREV MO 9.38	9.99	17.03										
	YR AGO 8.59	13.76	17.81										
	Covers ONLY lactating feed, based on 75 lb herd avg, Buff., NY soy price												
<b>CME DAIRY CASH-SETTLED FUTURES (\$/LB) 05/31/23</b>	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TREND
<b>NFDM</b>	1.151	1.158	1.168	1.190	1.217	1.243	1.251						1.1550 ↓↓
<b>WHEY</b>	0.387	0.339	0.315	0.305	0.319	0.340	0.340						0.2700 ↓↓
<b>BUTTER</b>	2.441	2.430	2.432	2.450	2.475	2.485	2.502						2.4550 ↑↑
<b>CHEESE</b>	1.665	1.609	1.704	1.801	1.885	1.945	1.962						See Below
	<b>CME SPOT CHEESE: BARRELS 1.4975 / 40 LB BLOCKS 1.4200 NC / ↓↓</b>												

	CL I ADV	CL II	CL III	CL IV	*ALL-MILK-U.S.	*ALL-MILK-PA
<b>*USDA FEB-23 NEW *ALL-MILK BF MAILBOX</b>	18.01(JUN)	19.20(APR)	18.52(APR)	17.95(APR)	*20.70(APR) ↓↓	*21.10(APR) ↓↓
<b>*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)</b>						
<b>MONTH AGO</b>	19.57	19.52	18.10	18.38	21.10 4.19F	21.70 4.14F
<b>YEAR AGO</b>	25.87	24.76	22.45	24.82	27.00 4.08F	27.50 4.01F

	WGTED AVG. 4-WK	APRIL 1-29, 2023	*APR 2023
<b>CHEESE</b>	1.8775	0.2003	1.6772 ↑↑
<b>BUTTER</b>	2.4018	0.1715	2.2303 ↓↓
<b>NFDM</b>	1.1151	0.1678	0.9476 ↓↓
<b>DRYWHEY</b>	0.4398	0.1991	0.2407 ↑↑

	1550	1810 LTD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1150	900 LTD
<b>CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg May 24, 2023 New Holland, PA) *Receipts down 66% f/wk ago, down 76% f/yr ago</b>											
<b>COWS: Fresh Bred Springing *HEIFERS: Bred Springing Beefx Open: 300-600 lbs Beef X 600-900 lbs Beef X 900-1100 lbs</b>	1550	N/A	1810 LTD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1250 IND
<b>WEEK A/GO COMPARISON</b>	1450	1450	1475	1315	1550	1000	N/A	N/A	N/A	N/A	1150

	Choice & Prime	1250-1550 lbs light test	300.00	485.00	370.00	500	119.00	88.00
<b>FED HOLSTEIN STEERS (\$/CWT LIVELINEWEIGHT)</b>								
<b>BULL CALVES: No. 1 &amp; 2, 90-130 lbs</b>								
<b>70-85 lbs</b>								