CDE DAIRY MARKET & MANAGEMENT UPDATE

except where noted

Dairy's economic impact: The dairy industry plays a crucial role not only in the communities where dairy farms and dairy processing exist, but it is also very important to individual states and the entire U.S. economy. Every two years the International Dairy Foods Association (IDFA) conducts a dairy economics impact study. In honor of June Dairy Month, IDFA published its biannual report on June 5, and it underscores the importance of the dairy industry. The full report, including an interactive map showing the economic impact of each state, can be found at idfa. org/dairydelivers. The data are based on the calendar year 2022

I reached out to IDFA to get further clarification as to how their results were reported. Since IDFA is a dairy processing organization, their report focuses on dairy products and the economic impact of dairy products, wholesaling, and retailing are reported as direct impact. Actual dairy farms are considered suppliers in their analysis, included in the analysis as "agriculture" in their tables, and is reported as part of the indirect impact of the dairy industry. Given that explanation, for the purpose of this column, I will add the dairy farm data to dairy products data and report that as the total direct impact.

Across the U.S., the dairy industry supports more than 3.2 million total jobs, over \$200 billion in wages, and \$72.0 billion in federal, state and local taxes (excluding sales tax). The U.S. dairy industry is 3.0% of the Gross Domestic Product (GDP). GDP is the sum of all the goods and services produced across all industries in the U.S. The nation's dairy industry contributes more than \$793.7 billion in total economic impact. Dairy processing, wholesaling, retailing, and dairy farming contribute more than \$337.5 billion in direct economic impact. On the dairy product side, cheese production accounts for nearly \$64.5 billion of impact followed by fluid milk at over \$50.9 billion. Dairy farming accounts for nearly \$81.9 billion. Underscoring the importance of the dairy industry and how the impact of dairy farming and processing is upscaled economically is seen by looking at the direct impact as a percentage of the total impact. At \$337.5 billion for dairy processing and farming-related direct economic impact, it is only 43% of the total impact. Of the more

Prices change daily. This market information is an example for educational purposes. The rket data below are compiled weekly by Farmshine, via CME & USDA reports

Price

Average to high dressing

N/A

N/A

than 3.2 million jobs, only 42% are directly related to process ing and farming. Of the more than \$200 billion in wages only 32% directly related to processing and farming





The Pennsylvania dairy industry's economic impact closely mimics the national trend. The Pennsylvania dairy industry accounts for 4.0% of the national dairy industry's 3.0% GDP. Dairy processing and dairy farming in the Keystone State is responsible for \$13.4 billion in direct economic impact, 55,584 directly related jobs, and \$2.45 billion in direct wages. The Pennsylvania dairy industry has a total economic impact, direct and indirect, of \$31.9 billion. Like the national trend, the direct economic impact is amplified by the indirect impact. Directly related jobs are only 41% of the total 134,613, while total direct economic impact is only 41% of the total \$31.9 billion, and direct wages only account for 30% of the \$8.23 billion wage total. The Commonwealth dairy industry contributes over \$3.0 billion in federal, state and local taxes (excluding sales tax). In terms of dairy products in PA, fluid milk contributes the largest portion of direct impact at \$3.45 billion, followed by cheese at a distant second with \$995 million. Dairy farming contributes \$3.35 billion to the state's total economic impact.

Although dairy farm numbers continue to decline across the nation, the economic impact of dairy processing is growing. Dairy processing-related jobs increased by 60,000 from 2021 to 1,078 million in 2022

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an \$337.5 billion in direct economic impact. On the dairy prod-	ocessing related [Number	Wages	Economic Impac	t
, cheese production accounts for nearly \$64.5 billion of impact was	ages increased \$7	U.S	Jobs	(Billion)	(Billion)	
l by fluid milk at over \$50.9 billion. Dairy farming accounts for billi	llion from 2021	Total Direct Economic				
81.9 billion. Underscoring the importance of the dairy industry to S	\$49 billion, and	Impact	1.33M	\$63.30	\$337.51	
v the impact of dairy farming and processing is upscaled eco-fede	deral, state and	Total Economic Impact	3.21M	\$200.35	\$793.75	
ly is seen by looking at the direct impact as a percentage of the local	cal taxes (excl.	PA				
pact. At \$337.5 billion for dairy processing and farming-related sale	ies tax) increased	Total Direct Economic				
		Impact	55,584	\$2.45	\$13.41	
change daily. This market information is an example for educational purposes. The	2.0 billion.					
ta below are compiled weekly by Farmshine, via CME & USDA reports	Ī	Total Economic Impact	134,613	\$8.23	\$31.86	
CME DAILY FUTURES & OPTIONS TRADING — JUNE 21, 2	2023 AT THE					

*AVG =	CM	E DAI	LY FUTU	RES & O	PTIONS	TRADING -	- JUNE 2	21, 202	3 AT THE					
Average basis for	JUN-	23	JUL-23	AUG-23	SEP-23	3 OCT-23	NOV-23	DEC-23	3 JAN-2	4 FEB-24	MAR-24	APR-24	MAY-24	TREND
	CLASS 15.0		FUTURES (\$/0 15.56	CWT) vs. wk ag 16.31	o: <i>Lower ac</i> 17.29	ross board: Jun 17.88	23 dn \$0.25 18.31	5, Jul-Nov2 18.04	3 dn \$0.50? 17.90	1-1.00, Dec23-M 17.83	lay24 dn \$0 17.85	.05-0.20. 17.88	12-Month Av 17.94	g. 17.32↓↓ ↓↓
*MARGIN = Milk	18.1		FUTURES (\$/0 17.85	WT) vs. wk ago 17.96	o: Jun23 ste 18.30	eady, Jul23-Ma 18.65	r24 down \$0 18.90	0.10-0.35, 18.85	Apr-May24 18.80	up \$0.05-0.10. 18.75	18.75	18.59	12-Month Av 18.66	g. 18.51↓↓ ↓↓
Price over Feed			(- /	,		UTS — Daily .71 18.00 0.88		,		1.02 17.75 0.96	6 17.75 0.9	9 18.00 1	.10 18.00 1.	12
Cost			S (\$/CWT)	-2017-2				/T/OH -	YOUR II	NDIVIDUAL BA		ARY (MAI	LBOX - CLAS	SS 3)
per cwt.	PA	1.58	0.99	1.03	0.95	0.79	0.60	0.79	1.17	0.62	1.53	2.29	1.82	
ÝELLOW	*AVG	1.45	1.25	1.31	1.15	0.67	0.74	1.38	0.85	1.67	2.55	2.15	1.66	
= ,	DMC (FFICIA	L GROSS MA	RGINS per cu	wt(USDA AII-	Milk, com, alfali	fa & III. soybe	an, feed for	ALL CLASSE	S of dairy cattle o	n farm) <mark>Upd</mark> a	ated with NE	N prem. alfalfa	feed cost
payment	DMC	FEB-2	22 MAR-22	2 APR-22	MAY-22	IUN-22 JUL-2	2 AUG-22	SEP-22	OCT-22	NOV-22 DEC-22	JAN-23	FEB-23		PR-23
triggered		10.9	<u>8 11.55</u>	12.29	12.51	11.92 9.93	2 8.08	8.62	10.71	10.89 9.76	7.94	6.19	6.08 *	<mark>5.84 ↓↓</mark>

triggered	1	0.98	11.55	12.29	12.51	11.92	9.92	8.08	8.62 1	0.71	10.89 9	.76	7.94	6.19	6.08	*5.84	11
	U.S. AVG P	REMIUM	ALFALFA	& ALFALFA	A/GRASS H	4Y 20-22 %	CP - Sou	ırce: USD	A Monthly N	lational Dai	iry Compreh	ensive Rep	ort				
					JUN-22												
U U	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	*292.86	11
	U.S. AVG.	BRED CO	WS & HE	IFERS (3rd	trimester) p	er head as	reported	l by USDA	Monthly Na	itional Dair	y Comprehe	nsive Repo	rt				
	1237	1253	1390	1278	1184	1350	1407	1265	1310	1290	1300	1250	1352	1342	1330	*1400	11
	U.S. AVG.	FRESH CO	OWS per l	head as rep	orted by USI	OA Monthly	National	Dairy Co.	mprehensiv	e Report							
#	1293	1486	1468	1496	1341	1571	1417	1384	1701	1526	1531	1436	1487	1493	1544	*1469	II.
	CORN FU	ITURES	(\$/BU)														
	JUL-2	23 SI	EP-23	DEC-23	MAR-24	MAY-2	24 JU	L-24	SEP-24	DEC-24	MAR-25	MAY-2	5 JUL	25 SE	P-25	TREN	D
W W	6.07	'6 5.	450	5.492	5.582	5.62	6 5.	634	5.240	5.172	5.246	5.274	5.2	282 4.	912		11
							V	VEEK AC	90								

6.042 5.250 5 306 5.406 5.462 5.480 5.116 5.040 5.116 5.144 5.152 4.782 SOYMEAL FUTURES (\$/TON) AUG-23 JUL-23 SEP-23 OCT-23 DEC-23 JAN-24 MAR-24 **MAY-24** JUL-24 AUG-24 SEP-24 OCT-24 389.7 378.9 374.4 374.6 372.6 366.5 363.3 363.7 362.3 360.2 357.5

					VVLLI	100						
4050	0050	004 5	0000	0050	0000	0500	0507	0504	0504	0.47.0	0.45.0	
405.2	395.2	381.5	368.8	365.8	363.0	356.3	352.7	352.4	350.4	347.8	345.3	
+00.∠	000.2	301.3	300.0	303.0	303.0	550.5	002.1	JJZ.T	JJU.T	J + 1.0	JTJ.J	

PA WILK WARGI	N & IUFC-LA	NIESI PSU VALUI	CIME D	AIRY CA	SH-SEII	LED FU	IURES (\$/LB)	06/14	/23	SPOT CASH TREND		
		IOFC (\$/COW	PA MILK MARGIN		MAY	JUN	JUL	AUG	SEP	OCT	NOV		06/14/23
(\$/0	CWT milk)	@ 75 lbs milk)	(\$/CWT milk)	NFDM	1.162	1.160	1.169	1.195	1.220	1.241	1.260	11	1.1625NC
*APR (estimated)	*9.28↓↓	*8.87↓↓	*15.86↓↓	WHEY	0.331	0.312	0.301	0.310	0.330	0.335	0.341	MIXED	0.2725↓↓
PREV MO	9.67	9.02	16.28	BUTTER	2.422	2.372	2.379	2.410	2.434	2.450	2.417	‡ ‡	2.385011
YR AGO	8 27	13 90	18.80	CHEESE	1.580	1.652	1.735	1.830	1.883	1.929	1.892	11	See Below
					CME SP	OT CHEES	SE: BAR	RELS	1.5275	40 LB I	BLOCK	S 1.3900	o tt / tt
**USDAFEB-23 NEW* *= NEW ANNOLINCED FEDERAL ORDER DRICES (\$ /CMT)													
	*APR (estimated) PREV MO YR AGO Covers ONLY lactati	FEED COST (s/CWT milk) *APR (estimated) *9.28 LI PREV MO 9.67 YR AGO 8.27 Covers ONLY lactating feed, base	FEED COST (COW ((\$/CWT milk)	FEED COST	FEED COST (\$/COW (\$/COW milk) (\$/CWT milk)	FEED COST IOFC (\$/COW PA MILK MARGIN (\$/CWT milk) @75 lbs milk) (\$/CWT milk) NFDM 1.162 1.160	FEED COST	FEED COST IOFC (\$/COW PA MILK MARGIN (\$/CWT milk) (\$/CWT m	FEED COST IOFC (\$/COW PA MILK MARGIN (\$/CWT milk) @75 lbs milk) (\$/CWT milk) WHEY 1.160 1.160 1.160 1.160 1.195 1.220	FEED COST IOFC (\$/COW PA MILK MARGIN (\$/CWT milk) @75 bs milk (\$/CWT milk) (\$/CWT milk) *APR (estimated) *9.28 *8.87 *15.86 Whey 0.331 0.312 0.301 0.310 0.330 0.335	FEED COST IOFC (\$/COW PA MILK MARGIN (\$/CWT milk) (\$/CWT m	The continuation of the

ALL-MILK BF *MAILBOX	* = NEW A	NNOUNC	ED FEDER	RAL ORDE	R PRICES (\$)	/CWT)
*FL \$26.00 3.78 \$25.08 *SE \$25.60 3.87 \$23.56	CL I ADV↓↓	CL II↓↓	*CL III↓↓	*CL IV11	*ALL-MILK-U.S *	ALL-MILK-PA
*APP \$25.30 4.04 \$22.93 *N.ENG \$23.00 4.21 \$22.36					Y) *20.70(APR)↓↓	* 21.10 (APR)↓↓
*NY \$22.50 4.17 \$21.78 *MO N/A N/A \$21.75			MONTH A	GO	4.12F	4.07F
*PAeast\$22.70 4.14 \$21.74 *IL \$21.80 4.22 \$21.13	19.57	19.20	18.52		21.10 4.19F	21.70 4.14F
*WA/OR\$23.40 4.35 \$21.07 *IN \$22.70 4.13 \$20.92			YEAR AGO)		
*CA \$22.20 4.18 \$20.87 *OH \$22.60 4.12 \$20.82	25.87	25.87	25.21	24.99	27.00 4.08F	27.50 4.01F

99 50

86.00

107 60

99.85

YEAR AGO

93 85

78.60

	COMMEN	IILVLI	ME OILDE	VALUE	Θ (Ψ/	LD) - 1	*L**				
	WEIGHTED	* MAY 2023									
1	PRODUCT	VALUE	MAKE ALLO	W NET		COMP	ONENTS				
	*CHEESE	1.6600	0.2003	1.4597	$\downarrow\downarrow$	*PROT	1.8002↓↓				
	*BUTTER	2.4483	0.1715	2.2768	† †	*B.FAT	2.757211				
	*NFDM	1.1505	0.1678	0.9827	$\downarrow\downarrow$	*N.FAT	0.9729↓↓				
	*DRYWHEY	0.3813	0.1991	0.1822	$\downarrow\downarrow$	*OTHER	0.1877↓↓				
ar	and. PA) *Receipts down 31% from year ago levels										

CATTLE - DAIRY PURPOSES(\$/HD) NORTHEAST (Avg June 7, 2023 New Holla Fresh Open: 300-600 lbs Beef X 600-900 lbs Beef X 900-1100 lbs BULLS(800-1300 COWS: Bred **Springing** *HEIFERS: Bred Springing Beef x 2000 1750 1550CPL N/A 1050 **925**LTD WEEK AGO COMPARISON 2300 1800LTD 1740LTD 1500LTD 1750LTD N/A 550 N/A 825 N/A N/A 1000LTD Avg. of prices reported by USDA Maket News for FED HOLSTEIN STEERS (\$/CWT LIVEWEIGHT) WEEK AGO CURRENT Beef X YR AGO PA Auction Markets June 1-6, 2023
CULL MARKET COWS (\$/CWT LIVEWEIGHT Choice & Prime 1250-1550 lbs light test 120.50 135.00 LTD 137.00 No. 1 & 2, 90-130 lbs 290.00 45000 300.00 485 162.00 ш BULL CALVES: **Premium White Breakers** Boners Lean 285.00 136.00 104.5011 92.3511 88.8511 brought to you by

Dairy EXCELLENCE





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