CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — **JUNE 15, 2022** — except where noted

ZACH MYERS
Risk Education Manager
336-468-0726
zmyers@centerfordairyexcellence.org

JUNE DAIRY MONTH: June 2022 marks the 86th year that the annual June Dairy Month has taken place. June Dairy Month has an interesting history. It was actually started by a group of retail stores in 1937 in an attempt to help promote and stabilize the market in what was then a time of peak milk production that generally caused dairy farmers' pay price to drop. Fluid milk sales made up two-thirds to three-quarters of milk sales back then. So, the retailer group promoted the health benefits of fluid milk to consumers to encourage them to purchase more milk.

Peak milk production coincided with peak grass growth back when the U.S. dairy industry relied more on grazing than it does today. This occurred in June across much of the country. Peak milk production in the U.S. happens a little earlier now than it did 80-plus years ago in April or May, and fluid milk sales have inverted and are now only about one-third of total dairy sales. However, the reason June Dairy Month was created over 86 years has not changed. June Dairy Month still exists to educate the American consumer and encourage them to purchase more milk and dairy products to support the nation's dairy farm families.

In a search of the history of June Dairy Month, I came across the following article, "June Dairy Month history…nationally," from the *Dairy Star* publication dated June 30, 2014. The article contains an extensive history of June Dairy Month and states that in 1937 with the title "National Milk Month," June Dairy Month got its start. In 1938, the National Dairy Council (NDC) got involved and served as the headquarters for "National Milk Month," and produced the promotion information and materials that were distributed to 6,300 retail stores and ran from June 10 to July 10 of that year. In 1939, the name was officially changed to June Dairy Month and was funded by dairy farmers by a one-cent per pound butterfat assessment, assessed on milk produced during June. According to its website, National Dairy Council (NDC) is a non-profit created by and funded by dairy farmers in 1915. After 107 years, NDC is still supervised and funded by American dairy farmers through the national checkoff program. If you are interested in a more detailed history of June Dairy Month than I can provide here, you can read the *Dairy Star* article online at https://dairystar.com/Content/News/Print-edition-click-here-/Article/June-Dairy-Month-history-nationally/1/1/10058.

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 entrusted to their care while producing one of nature's most perfect foods for their community, state, country, and now, the world.

I've been around for a few more than half of the June Dairy Months. 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, North Carolina, near where I'm from, to attend events sponsored by local dairy farmers and the Flav-O-Rich dairy processing plant also located in Wilkesboro. Myers Dairy, Inc. is no longer in Wilkes County, NC, nor is the Flav-O-Rich plant or Wilkes Mall, but thanks to the remaining U.S. dairy farmers, it is nice to know that June Dairy Month still is.

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 — JUNE 15, 2022 AT THE CLOSE

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

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

	JUN-22	JUL-22	AUG-22	SEP-22	OCT-22	NOV-22	DEC-22	JAN-23	FEB-23	MAR-23	APR-23	MAY-23	TREND
CLASS III MILK FUTURES ($/CWT) vs. wk ago: *Jun up $0.05, Jul-Sep down $0.50-0.75, Oct22-May23 $0.10-0.35 lower.*												*12-Month Avg. 23.06*	↓↓
	24.34	24.26	24.40	24.32	24.07	23.83	23.03	22.40	22.00	21.55	21.40	21.22	↓↓
CLASS IV MILK FUTURES ($/CWT) vs. wk ago: *Jun up $0.05, Jul22-Jan23 down $0.40-$1, Feb-May down $0.15-0.40.*												*12-Month Avg. 23.97*	↓↓
	25.79	25.80	25.28	25.14	24.86	24.49	23.98	23.09	22.65	22.30	22.20	21.80	↓↓

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

25.10	04/22	25.01	06/22	24.90	06/22	24.71	06/22	24.37	06/22	24.00	06/22	23.45	06/22	23.43	03/22	22.20	03/22	22.08	03/22	22.08	03/22	22.08	03/22
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	11.72	05/20

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

24.25	0.03	**24.25**	0.50	**24.50**	0.92	**24.25**	1.02	**24.00**	1.13	**23.75**	1.30	**23.00**	1.39	**22.50**	1.42	**22.00**	1.40	**21.50**	1.42	**21.50**	1.52	**21.25**	1.62

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

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

DMC	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	*APR-22	
	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	*12.29	↑↑

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 & Ill. soybean prices (lactating feed only)*

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	*APR-22	
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	*17.69	↑↑

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)*

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	*18.52	↑↑

CORN FUTURES ($/BU)

	JUL-22	SEP-22	DEC-22	MAR-23	MAY-23	JUL-23	SEP-23	DEC-23	MAR-24	MAY-24	JUL-24	SEP-24	TREND
	7.740	7.290	7.210	7.262	7.274	7.240	6.710	6.476	6.540	6.560	6.544	5.950	↑↑
WEEK AGO	7.644	7.276	7.176	7.226	7.240	7.196	6.672	6.442	6.500	6.512	6.474	5.880	

SOYMEAL FUTURES ($/TON)

	JUL-22	AUG-22	SEP-22	OCT-22	DEC-22	JAN-23	MAR-23	MAY-23	JUL-23	AUG-23	SEP-23	OCT-23	TREND
	417.5	404.5	395.2	389.3	391.5	390.7	387.6	386.3	385.8	380.4	372.1	362.1	↓↓
WEEK AGO	415.6	407.7	401.1	395.3	396.7	395.1	390.0	387.2	388.3	382.8	374.7	363.8	

*=NEW

FEED = $/CWT.

IOFC = $/COW

PA MILK MARGIN & IOFC–LATEST PSU VALUES - *APR. 2022

	FEED COST ($/CWT milk)	IOFC ($/COW @ 75 lbs milk)	PA MILK MARGIN ($/CWT milk)
***APR** *(estimated)*	*8.70↑↑	*13.89↑↑	*18.52↑↑
PREV MO	8.59	13.76	18.35
YR AGO	9.03	6.77	9.24

CME DAIRY CASH-SETTLED FUTURES ($/LB) 06/15/22

	MAY	JUN	JUL	AUG	SEP	OCT	NOV		SPOT CASH 06/15/22	TREND
NFDM	1.813	1.790	1.771	1.771	1.755	1.750	1.749	↓↓	1.8175	↓↓
WHEY	0.615	0.590	0.557	0.545	0.534	0.515	0.515	↓↓	0.5100	↓↓
BUTTER	2.911	2.940	2.900	2.845	2.843	2.740	2.610	↓↓	2.9700	↓↓
CHEESE	2.346	2.369	2.388	2.386	2.370	2.350	2.303	↓↓	See Below	

CME SPOT CHEESE: BARRELS 2.2100 / 40 LB BLOCKS 2.2250 ↓↓ / ↓↓

**USDA FEB-22 NEW*

	ALL-MILK	BF	*MAILBOX
*MO	N/A	N/A	$26.95
*N.ENG	$26.00	4.16	$25.35
*FL	$27.50	3.73	$25.02
*SE	$26.90	3.81	$24.98
*APP	$26.30	4.05	$24.82
*NY	$25.40	4.13	$24.78
*IL	$24.60	4.20	$24.64
*WA/OR	$26.05	4.33	$24.51
*PAeast	$25.70	4.11	$24.23
*PAwestern PA only			$24.23
*CA	$24.90	4.14	$24.00
*U.S.	$24.70	4.17	$23.88
*MN	$24.20	4.41	$23.79
*IA	$24.10	4.28	$23.77
*OH	$24.10	4.11	$23.76
*TX	$25.20	4.42	$23.61
*WI	$24.00	4.17	$23.50
*IN	$24.60	4.13	$23.47
*MI	$23.80	4.08	$22.91
*NE/KS	$23.70	4.29	$22.81
*NM	$22.90	4.02	$21.94

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

	CL I ADV↑↑	CL II↑↑	CL III↑↑	CL IV↓↓	ALL-MILK-U.S	ALL-MILK-PA
	25.87(JUN)	25.87(MAY)	25.21(MAY)	24.99(MAY)	27.10(APR)	27.50(APR)↑↑
MONTH AGO					4.08F	4.01F
	25.45	25.71	24.42	25.31	25.90 4.13F	26.40 4.06F
YEAR AGO						
	18.29	16.22	18.96	16.16	18.40 3.99F	18.40 3.95F

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

WEIGHTED AVG. 4-WK MAY 1-31, 2022

PRODUCT	VALUE	MAKE ALLOW	NET		MAY 2022 COMPONENTS		
CHEESE	2.4161	0.2003	2.2158	↑↑	PROT	3.8696	↑↑
BUTTER	2.7360	0.1715	2.5645	↓↓	B.FAT	3.1056	↓↓
NFDM	1.8095	0.1678	1.6417	↓↓	N.FAT	1.6253	↓↓
DRYWHEY	0.6707	0.1991	0.4716	↓↓	OTHER	0.4857	↓↓

CATTLE - DAIRY PURPOSES($/HD) **NORTHEAST** (Avg. June 8, 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(900+ lbs)
	1125	1215	1310		1200	1285	1075		525	N/A	900	700	1090	1400
WEEK AGO COMPARISON														
	1100	1125	1335		1135	1225	1075		325	N/A	N/A	700	N/A	1250 LTD

Price averages do not include lower-end 'common'

Avg. of prices reported by USDA Market News for PA Auction Markets June 9-14, 2022

CULL MARKET COWS ($/CWT LIVEWEIGHT

	Premium White	Breakers	Boners	Lean
		99.85↑↑	86.00↑↑	78.60↑↑
WEEK AGO				
	N/A	88.35	84.50	72.25
YEAR AGO				
	N/A	81.25	78.00	58.35

Average to high dressing

FED HOLSTEIN STEERS ($/CWT LIVEWEIGHT)

	CURRENT	Beef X	WEEK AGO		YR AGO	
Choice & Prime 1250-1550 lbs light test	120.50		122.00		98.00	↓↓
BULL CALVES: No. 1 & 2, 90-130 lbs	162.00	250.00	185.00	275	98.00	↓↓
70-85 lbs	136.00	375.00	140.00	360	66.00	↓↓

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