

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — JUNE 16, 2021 — except where noted



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June Dairy Month: My elementary and middle school years spanned the early 1980s to the early 1990s. I always remember how proud I was, as a young kid, to be a dairy farmer's child when June Dairy Month came around. It was always toward the end of the school year, and I would get to talk to my classmates about living and working on a dairy farm. I was too young to understand that as dairy farmers, my parents and grandparents were helping to fund what is now the longest running continuous national food promotion event. Even though my family is no longer operating a dairy farm, I am proud of my family's nearly 70-year legacy and that I can continue to be part of the dairy industry in my new career.

June Dairy Month is now in its 85th 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. Since it is Dairy Month, I thought I would do a little research on the promotion for this week's article.

The original promotion, in 1937, was actually 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 fund-

ed 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.

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. To help celebrate Pennsylvania dairy and showcase the hard work of PA dairy farmers, we are offering a page of three free Choose PA Dairy window clings to dairy farmers and industry professionals. Our hope is that these window clings will help you promote the essential role dairy farmers have in our communities.

Visit www.centerfordairyexcellence.org/june-dairy-month to request window clings to be mailed to you while supplies last.

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 16, 2021 AT THE CLOSE

	JUN-21	JUL-21	AUG-21	SEP-21	OCT-21	NOV-21	DEC-21	JAN-22	FEB-22	MAR-22	APR-22	MAY-22	TREND
CLASS III MILK FUTURES (\$/CWT) vs. week ago: MIXED: July-Nov \$0.10-0.60 lower, Rest of board generally steady to firm 12-Month Avg. 17.96 ↓↓	17.25	16.97	17.69	18.30	18.67	18.66	18.37	18.05	17.95	17.90	17.85	17.88	MIXED
CLASS IV MILK FUTURES (\$/CWT) vs. week ago: \$0.10-0.30 lower, except Aug-Dec off \$0.30-0.50 12-Month Avg. 17.29 ↓↓	16.48	16.60	16.83	17.00	17.26	17.38	17.43	17.60	17.70	17.70	17.75	17.75	MIXED

HIGHEST & LOWEST DAILY SETTLE PRICE FOR CL. III OVER LIFE OF CONTRACT & MONTH / YEAR IT OCCURRED

19.96 04/21	20.02 04/21	20.08 05/21	20.04 05/21	19.97 05/21	19.66 05/21	19.29 05/21	18.95 05/21	18.42 04/21	18.21 05/21	18.16 05/21	18.21 05/21
14.52 03/20	14.31 03/20	14.50 03/20	14.50 03/20	14.50 03/20	14.21 03/20	14.19 03/20	14.50 03/20	14.25 03/20	14.70 03/20	14.85 03/20	14.75 03/20

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

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

DMC OFFICIAL GROSS MARGINS per cwt. (USDA All-Milk, com/ alfalfa hay & Illinois soybean prices, feed for all classes of dairy cattle on the farm)

DMC FEB-20	MAR-20	APR-20	MAY-20	JUNE-20	JULY-20	AUG-20	SEP-20	OCT-20	NOV-20	DEC-20	JAN-21	FEB-21	MAR-21	*APR-21
10.06	9.15	6.03	5.37	9.99	12.41	10.83	9.40	11.13	11.87	8.78	7.14	6.22	6.46	*6.94 ↑↑

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

JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	JUL-20	AUG-20	SEP-20	OCT-20	NOV-20	DEC-20	*JAN-21	*FEB-21	*MAR-21	APR-21
13.86	13.18	12.23	8.77	8.06	12.59	15.04	13.43	12.33	14.44	15.47	12.51	*11.25	*10.51	*10.66	*11.25 ↑↑

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

JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	JUL-20	AUG-20	SEP-20	OCT-20	NOV-20	DEC-20	*JAN-21	*FEB-21	*MAR-21	APR-21
13.10	12.20	11.24	8.27	6.79	9.44	12.67	11.10	10.91	11.31	12.36	10.53	*8.56	*8.15	*9.24	*10.35 ↑↑

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

17.25 0.05	17.00 0.37	17.75 0.70	18.25 0.79	18.75 1.00	18.75 1.07	18.25 0.97	18.00 1.04	18.00 1.11	18.00 1.12	17.75 1.03	18.00 1.17
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CORN (\$/BU) OPTIONS — CALLS

6.60 39.10	6.80 40.40	7.10 38.60	7.60 36.00
9.10 05.50	9.40 08.30	9.60 08.30	9.60 11.20

SOYMEAL (\$/TON) OPTIONS — CALLS

350 37.40	370 32.00	400 24.25	390 24.25
420 02.05	520 02.65	530 03.60	360 05.20

CORN FUTURES (\$/BU)

JUL-21	SEP-21	DEC-21	MAR-22	MAY-22	JUL-22	SEP-22	DEC-22	MAR-23	MAY-23	JUL-23	SEP-23	TREND
6.730	5.884	5.724	5.794	5.834	5.836	5.216	5.022	5.092	5.116	5.140	4.552	↓↓

WEEK AGO

6.906	6.320	6.096	6.156	6.192	6.186	5.446	5.246	5.316	5.340	5.356	4.770
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SOYMEAL FUTURES (\$/TON)

JUL-21	AUG-21	SEP-21	OCT-21	DEC-21	JAN-22	MAR-22	MAY-22	JUL-22	AUG-22	SEP-22	OCT-22	TREND
379.2	379.7	380.6	380.1	383.1	382.7	375.7	372.8	374.5	370.2	363.1	350.9	↓↓

WEEK AGO

386.4	388.4	390.9	390.7	393.8	393.3	384.7	381.0	382.1	378.0	371.3	358.8
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PA MILK MARGIN & IOFC—LATEST PSU VALUES — *APR. 2021

FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)
*APR. (estimated) 8.74 ↑↑	*7.77 ↑↑	*10.35 ↑↑
*PREV MO 8.66	*6.93	*9.24
YR AGO 7.03	6.20	8.27

CME DAIRY CASH-SETTLED FUTURES (\$/LB) 06/16/21

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	SPOT CASH	TREND
NFDM	1.282	1.275	1.286	1.300	1.320	1.338	1.332	1.2650	↓↓
WHEY	0.642	0.607	0.575	0.562	0.552	0.542	0.517	0.5925	↓↓
BUTTER	1.815	1.825	1.849	1.862	1.880	1.890	1.900	1.8050	↑↑
CHEESE	1.650	1.640	1.731	1.803	1.848	1.850	1.833	See Below	↓↓
CME SPOT CHEESE: BARRELS 1.6350 / 40 LB BLOCKS 1.5100 ↑↑ / ↑↑									

***USDA FEB-21 NEW * ALL-MILK BF MAILBOX**

*NENG \$17.90	4.13	\$19.03
*FL \$20.00	3.74	\$18.62
*MN \$17.80	4.31	\$17.39
*SE \$18.90	3.83	\$17.18
*APP \$18.90	4.01	\$17.10
*WI \$17.20	4.10	\$16.77
*MO N/A	N/A	\$16.87
*IN \$17.10	4.11	\$16.70
*OH \$17.80	4.05	\$16.67
*IL \$16.60	4.12	\$16.61
*IA \$17.40	4.27	\$16.53
*NY \$17.40	4.11	\$16.27
*Paest \$17.40	4.09	\$16.27
*PaWest PA only		\$16.12
*WCR \$17.50	4.18	\$16.85
*CA \$17.80	3.98	\$15.41
*MI \$15.90	4.02	\$15.07
*TX \$16.00	4.36	\$14.06
*NEKS \$14.30	4.16	\$14.19
*NM \$14.00	3.95	\$12.63

***USDA FEB-21 NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)**

CL I ADV ↑↑	*CL III ↑↑	*CL III ↑↑	*CL IV ↑↑	ALL-MILK-U.S.	ALL-MILK-PA
18.29 (JUN)	*16.22 (MAY)	*18.96 (MAY)	*16.16 (MAY)	18.40 (APR) ↑↑	18.40 (APR) ↑↑

MONTH AGO

17.10	15.56	17.67	15.42	17.40	17.90
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YEAR AGO

11.42	12.30	12.14	10.67	14.40	15.30
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CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. June 2, 2021 sale New Holland, PA)

COWS: Fresh Bred Springing	HEIFERS: Bred Beef x Springing	Open: 300-600 lbs	Beef X 600-900 lbs	900-1000 lbs	BULLS (1100-1300 lb)
1165	950	1110	1025 N/A	N/A	525
					750
					N/A
					1000

MONTH AGO COMPARISON

1110	900	1000	925	900	1100
					375
					300
					650
					N/A
					1200

Price averages do not include lower-end common

Avg. of prices reported by USDA Market News for PA Auction Markets June 10-15, 2021	FED HOLSTEIN STEERS (\$/CWT LIVEWEIGHT)	CURRENT	Beef X	WEEK AGO	YR AGO
CATTLE MARKET COWS (\$/CWT LIVEWEIGHT)	Choice & Prime 1250-1550 lbs light test	98.00		94.35	No report
Premium White	BULL CALVES: No. 1 & 2, 90-130 lbs	98.00	160.00	107.00	No report
Breakers	70-85 lbs	66.00	145.00	100.00	No report
Boners					
Lean					

WEEK AGO

N/A	81.25 ↑↑	78.00 ↑↑	58.35 ↑↑
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YEAR AGO

N/A	77.10	64.85	52.85
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Sale not reported by USDA due to COVID shut down

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