

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — JUNE 22, 2022 — except where noted



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JULY IS ICE CREAM MONTH: There is still about one week of June Dairy month left, but thanks to President Ronald Reagan, dairy months aren't over yet. In 1984, Senator Walter Huddleston of Kentucky and Representative Kika de la Garza of Texas introduced a joint resolution that proclaimed the month of July 1984 as "National Ice Cream Month" and July 15th, 1984, as "National Ice Cream Day." The resolution unanimously passed in both the Senate and House without amendment.

President Ronald Reagan signed the resolution into law on July 2, 1984. The law technically only applied to July 1984. However, due to its popularity, American Dairy Associations, ice cream manufacturers, and retailers have celebrated, along with all Americans, July as National Ice Cream Month with National Ice Cream Day celebrated on the third Sunday of the month every year since.

In a brief internet search of the history of ice cream, the earliest references to frozen treats are perhaps in the Bible during the second century B.C. with King Solomon indulging in "frozen drinks" during the harvest. However, references to frozen treats became more common in the Roman Empire around 54 to 86 A.D. The original ice creams were much more rudimentary than they are today. Most references I found were of snow mixed with honey and/or fruit. The first recipes of milk-based ice creams did not show up until the 15th and 16th centuries in the Far East and Europe (specifically Italy) and was mostly a treat for the wealthy. Ice cream was not available to the general public until around 1660 when the first café offered it as a menu item in Paris, France. Ice cream had made its way to the "New World" by the mid-1740s.

According to the USDA, each U.S. citizen consumed over 21 pounds of frozen dairy products in 2020. 2021 data will not be reported until Sept. 2022. In comparison to 1984, per capita consumption of frozen dairy products equaled 25.6 pounds. That's a 17% reduction, but it

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

appears that the trend is reversing. Since 2019 with a 46-year low of 20.7 pounds per person, frozen dairy consumption has increased 3%. The increase is due to regular and nonfat ice cream alone. The other categories in the frozen dairy group: frozen yogurt, sherbet, and other frozen dairy have remained a small part of the total and are flat to declining. Regular and nonfat ice cream accounted for 92% of frozen dairy product consumption in 2020 compared to 90% in 2019 and 93% in 1984.

June 1 marked the first day of the 5th Annual Scooped: An Ice Cream Trail that runs through Sept. 10 as a partnership between the Center for Dairy Excellence, PA Preferred, and the Pa. Tourism Office. The Ice Cream Trail draws more than 5,000 people from over 25 states. There are 30 creameries across the Commonwealth participating in this year's Ice Cream Trail. Visit www.visitpa.com/trip/scooped-ice-cream-trail for more information and a complete list of participating creameries. Visit 10 different creameries by Sept. 10 and receive a free stainless steel "PA Scooped: An Ice Cream Trail" ice cream scoop.

I know I'll use National Ice Cream Month as an excuse to eat more ice cream. There are a couple of places in Carlisle my family loves to frequent, Meadows Frozen Custard and Leo's Homemade Ice Cream, not to mention the 'half gallon' cartons of Breyers and Turkey Hill we go through at home. Even though the carton lists 12 servings per carton, I cannot seem to get more than 4 out of one.

	Regular	Nonfat	Frozen Yogurt*	Sherbet	Other Frozen Dairy	Total
1984	17.8	6.0	NA	1.2	0.7	25.6
2018	12.0	6.6	1.0	0.7	0.4	20.7
2019	12.3	6.8	1.0	0.8	0.4	21.3
2020	12.7	6.9	0.7	0.7	0.3	21.3

*Frozen yogurt consumption was not reported until 1989

CME DAILY FUTURES & OPTIONS TRADING — JUNE 22, 2022 AT THE CLOSE

	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: 2022 contracts mostly steady but July down \$0.75, 2023 contracts \$0.05-0.35 lower, May off \$0.50	24.31	23.55	24.12	24.32	24.11	23.85	23.11	22.30	21.70	21.49	21.04	21.22	↓
CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: Jun22-Feb23 contracts steady to \$0.25 lower, spots down \$0.50.	25.85	25.50	25.29	25.12	24.78	23.40	23.70	22.82	22.18	22.05	22.05	21.75	↓

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	11.72	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	23.50	0.40	24.00	0.83	24.00	1.05	23.75	1.15	23.75	1.32	23.00	1.30	22.25	1.32	21.75	1.37	21.50	1.53	21.00	1.41	20.75	1.45

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 com & 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 com & alfalfa hay & Buff., NY 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								
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
7.680	7.020	6.936	6.990	7.004	6.964	6.480	6.270	6.330	6.350	6.330	5.742		↓

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
432.4	415.3	404.2	397.9	399.9	399.3	395.0	393.1	392.1	386.6	378.8	369.6		↑

PA MILK MARGIN & IOFC—LATEST PSU VALUES — *APR. 2022				CME DAIRY CASH-SETTLED FUTURES (\$/LB) 06/22/22																			
FEED = \$/CWT	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)	JUN	JUL	AUG	SEP	OCT	NOV	DEC	SPOT CASH	TREND	06/22/22										
*APR (estimated)	*8.70↑	*13.89↑	*18.52↑	1.810	1.791	1.781	1.780	1.761	1.750	1.740	↑	1.8100	↓										
IOFC = \$/COW	PREV MO	8.59	13.76	18.35	0.615	0.578	0.545	0.515	0.520	0.510	0.505	↓	0.4975	↓									
YR AGO	9.03	6.77	9.24	2.901	2.905	2.882	2.859	2.829	2.712	2.582	↓	2.9650	↓										
				2.300	2.300	2.379	2.389	2.370	2.348	2.311	↓	See Below											

ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)														CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW											
CL I ADV↑	CL II↑	CL III↑	CL IV↓	ALL-MILK-U.S.	ALL-MILK-PA	WEIGHTED AVG. 4-WK	MAY 1-31, 2022	MAY 2022																	
25.87(JUN)	25.87(MAY)	25.21(MAY)	24.99(MAY)	27.10(APR)	27.50(APR)↑	2.4161	0.2003	2.2158	↑	PROT	3.8696	↑													
				4.08F	4.01F	2.7360	0.1715	2.5645	↓	B.FAT	3.1056	↓													
						1.8095	0.1678	1.6417	↓	N.FAT	1.6253	↓													
						0.6707	0.1991	0.4716	↓	OTHER	0.4857	↓													

Price averages do not include lower-end common

Average to high dressing

PA Auction Markets June 16-21, 2022

Premium White	Breakers	Boners	Lean
93.50↓	85.00↓	73.25↓	
WEEK AGO	99.85	86.00	78.60
YEAR AGO	74.00	67.35	50.50

FED HOLSTEIN STEERS (\$/CWT LIVELINEWEIGHT)

Choice & Prime 1250-1550 lbs light test	CURRENT	Beef X	WEEK AGO	YR AGO
	130.00		120.50	92.50
BULL CALVES: No. 1 & 2, 90-130 lbs	166.00	260.00	162.00	110.00
70-85 lbs	165.00	380.00	136.00	95.00

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