

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — AUG. 9, 2023 — except where noted



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**Crop Progress:** We are more than halfway through our growing season here in Pennsylvania. It will not be too long until folks are gearing up to start chopping corn silage, followed by combining soybeans and corn. This growing season has not been without its challenges. Pennsylvania had a decent start to planting but then experienced the driest May in more than 100 years.

This caused a delay in the crop from holding off planting until there was moisture in the ground to get the crop to germinate or from having to replant acres damaged by the early drought. According to the U.S. Drought Monitor website, most of Pennsylvania currently is not under drought or even dry conditions. However, there are pockets of counties in the northwest, central, and southcentral parts of the state that are still experiencing abnormally dry to moderate drought conditions. Much of the corn belt and upper midwestern states are experiencing abnormally dry to extreme drought conditions.

The latest Crop Progress report was released by the USDA earlier this week and is based on data for the week ending August 6. Corn condition in the top 18 corn-producing states is on par with last year and last week. Only 14% of corn surveyed was very poor (4%) or poor (10%), meaning that 86% of the corn was fair (29%), good (47%), or excellent (10%). This compares to last year at 16% very poor or poor and 84% fair, good, or excellent. Currently, for Pennsylvania, there is not any corn that was listed as very poor and only 1% as poor. 15% is listed as fair, 56% is good, and the remaining 28% is excellent.

The maturity of the top 18 corn-producing states is running close to the five-year average, but the Keystone State, with the weather conditions experienced earlier in the growing season, is well behind its five-year average. 93% of the corn

crop has silked, while 47% of the corn kernels are in the dough stage, and 8% is in the dent stage. This compares to the five-year averages of 91%, 46%, and 8%, respectively. For Pennsylvania, 65% of the corn crop has silked, only 4% has reached the dough stage, and none of the crop has dented. This is well behind the five-year averages for silk and dough at 74% and 21%, respectively. At this time of the growing season for the last five years, only 1% of the crop was dented 1%.

Pennsylvania is not one of the top 18 soybean-producing states, so it is not listed in the individual state statistics within the report. From a national perspective, the soybean crop follows similar trends to the national corn crop. Only 14% of the soybean crop is categorized as very poor (4%) or poor (10%). The other 86% of the crop is listed as fair (32%), good (45%), or excellent (9%). The physiological stages of the crop are within a few percentage points of their five-year averages. 90% of soybean crops are blooming and 66% of the plants are setting pods. This compares to the respective five-year averages of 87% and 63%.

Reminder: if you enrolled in the Dairy Margin Coverage (DMC) program for 2023 and still have premium balances, that balance is due by the end of business on September 1, 2023. If you have a premium balance, you will be receiving a letter from your local Farm Service Agency stating how much premium you owe with instructions on how to pay that remaining balance.

If you elected to have your premiums deducted from payments, you likely have no remaining balance. At the \$9.50 margin coverage, the January and February payments, alone, were enough to cover the premium cost for the year.

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 — AUG. 9, 2023 AT THE CLOSE

*AVG = Average basis for North-East and Mid-East	AUG-23	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	MAR-24	APR-24	MAY-24	JUN-24	JUL-24	TREND			
<b>CLASS III MILK FUTURES (\$/CWT) vs. wk ago:</b> \$0.10 to \$0.20, spots \$0.30 higher across the board, except current month Aug. 2023 off \$0.10. 12-Month Avg. 18.20	17.35	17.83	18.16	18.39	18.36	18.25	18.29	18.27	18.35	18.35	18.35	18.50	↑↑			
<b>CLASS IV MILK FUTURES (\$/CWT) vs. wk ago:</b> Aug-Oct23 up \$0.10; Nov23-Mar24 down \$0.05-0.15, Apr-Jun24 firm, Jul24 up \$0.30. 12-Month Avg. 18.94	18.90	19.01	19.04	19.05	18.89	18.79	18.86	18.96	18.99	19.00	18.96	18.90	↑↑			
<b>*MARGIN = Milk Price over Feed Cost per cwt. YELLOW = payment triggered</b>																
<b>CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium</b>	17.25 0.08	17.75 0.54	18.25 0.87	18.50 0.98	18.25 0.95	18.25 1.02	18.25 1.06	18.25 1.14	18.25 1.08	18.25 1.13	18.25 1.14	18.50 1.34				
<b>MILK BASIS (\$/CWT) — 2017-22 PA BASIS AND AVG PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)</b>	PA 1.03	0.95	0.79	0.60	0.79	1.17	0.62	1.53	2.29	1.82	1.58	0.99				
<b>*AVG</b>	1.31	1.15	0.67	0.74	1.38	0.85	1.67	2.55	2.15	1.66	1.45	1.25				
<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>																
<b>DMC</b>	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	MAY-23	*JUN-23	TREND
	12.29	12.51	11.92	9.92	8.08	8.62	10.71	10.89	9.76	7.94	6.19	6.08	5.84	4.83	*3.65	↓↓

U.S. AVG PREMIUM ALFALFA & ALFALFA / GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report	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	MAY-23	JUN-23	JUL-23	TREND
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	244.27	*254.92	↑↑	
<b>U.S. AVG. BRED COWS &amp; HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1390	1278	1184	1350	1407	1265	1310	1290	1300	1250	1352	1342	1330	1400	1559	*1502	↓↓
<b>U.S. AVG. FRESH COWS per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1468	1496	1341	1571	1417	1384	1701	1526	1531	1436	1487	1493	1544	1469	1792	*1615	↓↓

CORN FUTURES (\$/BU)	SEP-23	DEC-23	MAR-24	MAY-24	JUL-24	SEP-24	DEC-24	MAR-25	MAY-25	JUL-25	SEP-25	DEC-25	TREND
	4.814	4.942	5.082	5.164	5.210	5.126	5.140	5.236	5.286	5.300	5.034	4.940	↓↓
<b>WEEK AGO</b>	4.970	5.072	5.196	5.267	5.306	5.172	5.152	5.240	5.284	5.304	4.924	4.900	

SOYMEAL FUTURES (\$/TON)	AUG-23	SEP-23	OCT-23	DEC-23	JAN-24	MAR-24	MAY-24	JUL-24	AUG-24	SEP-24	OCT-24	DEC-24	TREND
	426.3	412.7	396.1	398.3	390.8	385.9	378.4	373.8	373.7	373.7	371.2	367.8	↓↓
<b>WEEK AGO</b>	456.1	428.1	403.8	398.3	393.4	385.2	379.3	378.0	373.9	368.8	362.1	360.9	

*NEW PA MILK MARGIN & IOFC-LATEST PSU VALUES - *MAY 2023	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)	CME DAIRY CASH-SETTLED FUTURES (\$/LB)	08/09/23	SPOT CASH	TREND						
<b>FEED = \$/CWT. *MAY (estimated)</b>	*9.65↑↑	*8.21↓↓	*15.45↑↑	<b>NFDM</b>	1.146	1.155	1.169	1.178	1.200	1.210	1.223	Mixed	1.1300↑↑
<b>IOFC = \$/COW</b>	PREV MO 9.28	8.87	15.86	<b>WHEY</b>	0.268	0.298	0.326	0.340	0.355	0.370	0.370	↑↑	0.2750↑↑
<b>YR AGO</b>	9.34	13.47	20.48	<b>BUTTER</b>	2.636	2.661	2.640	2.629	2.527	2.476	2.460	↑↑	2.6650↑↑
<i>Covers ONLY lactating feed, based on 75 lb herd avg, Buff., NY soy price</i>				<b>CHEESE</b>	1.843	1.884	1.899	1.917	1.906	1.895	1.900	↑↑	See Below
				<b>CME SPOT CHEESE: BARRELS</b>	1.8000	40 LB BLOCKS	1.9650	↑↑ / ↓↓					

**USDA APR-23 NEW ALL-MILK BF MAILBOX	*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)	*CURRENT FEDERAL ORDER VALUES (\$/LB) * = *NEW
FL \$24.10 3.77 \$23.02	<b>CL I ADV</b> 16.62(AUG)	<b>WEIGHTED AVG. 4-WK JULY 1-29, 2023</b>
SE \$23.40 3.81 \$21.47	<b>*CL II</b> 19.12(JUL)	<b>PRODUCT VALUE MAKEALLOW NET</b>
APP \$23.40 3.92 \$21.18	<b>*CL III</b> 13.77(JUN)	<b>*CHEESE</b> 1.4870 0.2003 1.2867 ↓↓
OH \$21.70 4.17 \$21.12	<b>*CL IV NC</b> 18.26(JUN)	<b>*BUTTER</b> 2.4825 0.1715 2.3110 ↑↑
NE \$21.70 4.01 \$20.76	<b>*ALL-MILK-U.S.</b> 17.90(JUN) ↓↓	<b>*NFDM</b> 1.1522 0.1678 0.9844 ↓↓
NY \$21.10 4.12 \$20.60	<b>*ALL-MILK-PA</b> 17.30(JUN) ↓↓	<b>*DRYWHEY</b> 0.2660 0.1991 0.0669 ↓↓
IN \$21.40 4.04 \$20.55		
PA \$21.10 4.07 \$20.43		
IL \$20.80 4.12 \$20.33		
WAOR \$22.60 4.21 \$20.29		
WI \$20.40 4.14 \$20.20		
PA Western PA only \$19.98		
CA \$20.70 4.05 \$19.93		
U.S. \$20.70 4.12 \$19.91		
MN \$20.60 4.48 \$19.58		
MI \$20.40 4.06 \$19.38		
MO N/A N/A \$18.98		
IA \$19.30 4.35 \$18.88		
NEKS \$20.10 4.32 \$18.35		
TX \$20.70 4.17 \$18.29		
NM \$18.40 3.86 \$17.35		

CATTLE - DAIRY PURPOSES (\$/HD) (Avg Aug. 9, 2023 New Holland PA) Supply off 52% vs. yr ago: 38% fresh/milking cows, 27% bred/springer cows, 27% bred/springer heifers. Compared with a week ago: Fresh and Springing \$150 to \$200 higher, limited offering of bred and heifers steady to weak in light test; no open heifers offered.	COWS: Fresh	Bred	Springing	*HEIFERS: Bred	Springing	Beef X	Open:	300-600 lbs	Beef X	600-900 lbs	Beef X	900-1100 lbs	BULLS (800-1300 lbs)
	1750	1500LTD	1745FEW	1625	1755	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1000
<b>TWO WEEKS AGO COMPARISON</b>	1550	1650LTD	1675CPL	1625	1600	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1250

Avg. of prices reported by USDA Market News for PA Auction Markets Aug. 3-8, 2023	FED HOLSTEIN STEERS (\$/CWT LIVELINEWEIGHT)	CURRENT	Beef X	WEEK AGO	YR AGO
<b>CATTLE MARKET COWS (\$/CWT LIVELINEWEIGHT)</b>	Choice & Prime 1250-1550 lbs light test	142.00	N/A	143.50	120.50 ↓↓
<b>Premium White</b>	No. 1 & 2, 90-130 lbs	285.00	N/A	285.00	575 100.00 NC
<b>Breakers</b>	70-85 lbs	272.00	N/A	300.00	600 90.00 ↓↓
<b>Boners</b>					
<b>Lean</b>					

brought to you by:

Price averages do not include lower-end common

Average to high dressing	WEEK AGO	YEAR AGO
N/A	110.25	95.35 86.25
N/A	85.50	80.25 75.00