

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — SEPT. 21, 2022 — except where noted

**Pennsylvania DEP Energy Efficiency Rebate Program:** According to data gathered and reported by the Pennsylvania Department of Environmental Protection (PADEP) in the Energy Use, Energy Saving, and Energy Efficiency Policy Recommendations for Pennsylvania Agriculture report dated March 2020, there are 49,924 farms across the Commonwealth. Curious about energy use across the entire agriculture sector and eager to develop programs to help the state's agriculture industry become more energy efficient, the PADEP along with the U.S. Department of Energy's State Energy Program funded this analysis to estimate energy use across the Commonwealth. The results of the analysis were then used to make policy recommendations at the Commonwealth level to increase energy efficiency.

The analysis used data from the 2017 Census of Agriculture, 2017 average retail energy prices, and energy use data extrapolated from a database generated from farms across the country that had completed an energy audit. This data was used to determine the number and size of agriculture operations and a per farm estimate of energy use on Pennsylvania farms. There were 6,092 dairies in Pennsylvania according to the 2017 Census of Agriculture.

The authors of the report determined that dairies with fewer than 50 cows did not have a large impact on total dairy sector energy use. Therefore, these dairies were not included in the analysis. The total number of dairies used for the analysis totaled 3,913 after excluding dairies with fewer than 50 cows. Dairies have the second highest annual average energy use at 603.7 million BTUs compared to the largest per farm energy user, which were poultry operations at 985.3 million BTUs. However, in terms of total impact on energy use, the dairy industry ranks as the largest user of energy because there are many more dairy farms than poultry farms across Pennsylvania. Dairy operations use an estimated 2.362 million BTUs of energy annually compared to 691,000 BTUs for poultry operations. The analysis provides an estimate of how

much is spent on energy from electricity and by fuel (gasoline, diesel, natural gas, and propane). Dairy operations use an estimated \$44.6 million-worth of electricity and \$18.4 million in fuel based on 2017 average prices, or a total of \$63.0 million.

One of the programs that the PADEP has implemented because of this report is the PADEP Energy Efficiency Rebate Program. This program provides a rebate of up to 50% of the total cost of making an approved energy efficiency improvement up to a maximum rebate of \$5,000. Approved efficiency projects fall into three categories: lighting systems, ventilation systems and dairy equipment. Lighting systems can include switching to LED fixtures or lighting controls like occupancy sensors. Ventilation system projects can include installing high efficiency fans, replacing fan motors with high efficiency motors, or variable frequency controls. Examples of energy efficient dairy equipment eligible for rebate include variable speed vacuum pumps, variable speed motors and controls for receiver jar pumps, plate coolers, and heat exchangers for heating water. This is not a complete list of approved improvements.

Applications can be submitted in each of the categories, but no individual farm can receive more than \$5,000 total for all applications. The PADEP has \$150,000 for this program and rebates are available on a first-come, first-served basis now until the funds are either exhausted or through March 31, 2023. For more information, visit [www.dep.pa.gov/agricultureenergy](http://www.dep.pa.gov/agricultureenergy) or call 570-327-3783. This program is open to any Pennsylvania dairy farm that meets the definition of a normal farming operation under Pennsylvania's Right to Farm Law. Reducing energy use across the dairy sector by 10% has the potential to save Pennsylvania dairy farmers, collectively, more than \$7 million annually.




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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 — SEPT. 21, 2022 AT THE CLOSE

*AVG = Average basis for North- East and Mid-East	CME DAILY FUTURES & OPTIONS TRADING — SEPT. 21, 2022 AT THE CLOSE																							
	SEP-22	OCT-22	NOV-22	DEC-22	JAN-23	FEB-23	MAR-23	APR-23	MAY-23	JUN-23	JUL-23	AUG-23	TREND											
	CLASS III MILK FUTURES (\$/CWT) vs. wk ago: <i>Class III milk futures contracts down \$0.10-0.35 across the board.</i>												12-Month Avg. 20.80 ↓↓											
	19.88	21.70	21.43	21.40	20.97	20.91	20.77	20.66	20.62	20.58	20.38	20.32	↓↓											
	CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: <i>Class IV milk futures contracts \$0.10-0.40 lower, spots off \$0.50</i>												12-Month Avg. 22.51 ↓↓											
	24.70	24.24	24.63	22.70	22.35	21.92	22.02	21.75	21.57	21.49	21.42	21.30	↓↓											
*MARGIN = Milk	CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium																							
Price over Feed	19.75	0.03	21.50	0.44	21.25	0.91	21.25	1.15	21.00	1.31	21.00	1.39	20.75	1.42	20.75	1.52	20.50	1.58	20.75	1.63	20.75	1.63	20.50	1.55
Cost	MILK BASIS (\$/CWT) — PA BASIS & 2016-19 AVG OF PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)																							
per cwt.	PA	0.95	0.79	0.60	0.79	1.17	0.62	1.53	2.29	1.82	1.58	0.99	1.03											
*AVG	1.15	0.67	0.74	1.38	0.85	1.67	2.55	2.15	1.66	1.45	1.25	1.31												
YELLOW =	DMC OFFICIAL GROSS MARGINS per cwt(USDA All-Milk, com, alfalfa & Ill. soybean, feed for ALL CLASSES of dairy cattle on farm) Updated with NEW prem. alfalfa feed cost																							
payment triggered	DMC	MAY-21	JUN-21	JUL-21	AUG-21	SEP-21	OCT-21	NOV-21	DEC-21	JAN-22	FEB-22	MAR-22	APR-22	MAY-22	JUN-22	*JUL-22								
		6.67	6.03	5.47	5.03	6.69	8.54	9.14	9.53	11.54	10.98	11.55	12.29	12.51	11.92	*9.92	↓↓							



U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report																
MAY-21	JUN-21	JUL-21	AUG-21	SEP-21	OCT-21	NOV-21	DEC-21	JAN-22	FEB-22	MAR-22	APR-22	MAY-22	JUN-22	JUL-22	*AUG-22	
217.53	214.32	232.31	235.20	246.10	256.09	262.84	242.90	270.34	253.80	278.02	280.00	322.00	321.17	312.50	*308.17	↓↓
U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report																
1005	1042	1003	1065	993	1018	1062	1152	1151	1237	1253	1390	1278	1184	1350	*1407	↑↑

<b>CORN FUTURES (\$/BU)</b>	DEC-22	MAR-23	MAY-23	JUL-23	SEP-23	DEC-23	MAR-24	MAY-24	JUL-24	SEP-24	DEC-24	JUL-25	TREND
	6.854	6.902	6.906	6.844	6.404	6.272	6.342	6.366	6.340	5.792	5.682	5.740	MIXED
	6.822	6.872	6.882	6.830	6.396	6.280	6.350	6.374	6.352	5.804	5.696	5.794	

<b>SOYMEAL FUTURES (\$/TON)</b>	OCT-22	DEC-22	JAN-23	MAR-23	MAY-23	JUL-23	AUG-23	SEP-23	OCT-23	DEC-23	JAN-24	MAR-24	TREND
	454.7	438.8	431.4	422.0	416.8	415.2	409.9	403.3	395.3	394.0	392.0	388.1	↑↑
	429.6	423.1	419.6	414.2	411.4	410.9	406.4	400.1	392.3	389.9	386.7	381.4	

*NEW PA MILK MARGIN & IOFC-LATEST PSU VALUES - *JULY 2022				CME DAIRY CASH-SETTLED FUTURES (\$/LB) 09/21/22 SPOT CASH TREND							
FEED =	FEED COST	IOFC (\$/COW	PA MILK MARGIN	SEP	OCT	NOV	DEC	JAN23	FEB23	MAR23	09/21/22
\$/CWT.	(\$/CWT milk)	@ 75 lbs milk)	(\$/CWT milk)	NFDM	1.590	1.590	1.565	1.579	1.591	1.596	1.605
	*JULY (estimated)	*9.85↑↑	*12.71↓↓								
IOFC =	PREV MO	9.07	13.98	WHEY	0.492	0.482	0.500	0.485	0.498	0.500	0.520
\$/COW	YR AGO	8.46	7.53	BUTTER	3.125	3.025	2.874	2.710	2.600	2.520	2.520
				CHEESE	2.054	2.124	2.122	2.097	2.085	2.090	2.080
	Covers ONLY lactating feed, based on 75 lb herd avg, Buff. NY soy price										

<b>*USDA MAY-22 NEW ALL-MILK BF MAILBOX</b>	MO	N/A	N/A	\$27.21
<b>*SE</b>	\$29.60	3.69	\$27.17	
<b>*W</b>	\$28.70	4.08	\$27.07	
<b>*AP</b>	\$26.90	3.99	\$27.06	
<b>*L</b>	\$28.50	3.86	\$26.97	
<b>*M</b>	\$27.70	4.01	\$26.87	
<b>*FL</b>	\$30.20	3.63	\$26.83	
<b>*N</b>	\$27.40	4.22	\$26.76	
<b>*CA</b>	\$27.50	3.94	\$26.76	
<b>*WI</b>	\$27.10	4.08	\$26.65	
<b>*NY</b>	\$27.10	3.97	\$26.45	
<b>*U.S.</b>	\$27.30	4.00	\$26.32	
<b>*P</b>	\$27.30	3.92	\$26.27	
<b>*OH</b>	\$26.50	3.52	\$26.23	
<b>*IN</b>	\$26.80	3.94	\$26.09	
<b>*IA</b>	\$27.00	4.10	\$26.07	
<b>*MI</b>	\$26.50	3.90	\$25.68	
<b>*TX</b>	\$27.30	4.19	\$25.22	
<b>*NE</b>	\$26.30	4.09	\$25.10	
<b>*NM</b>	\$25.00	3.78	\$24.00	

<b>*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)</b>	<b>*CL I ADV</b> ↓↓	<b>CL II IT</b>	<b>CL III</b> ↓↓	<b>CL IV</b> ↓↓	<b>ALL-MILK-U.S.</b>	<b>ALL-MILK-PA</b>							
	<b>*22.71</b> (OCT)	<b>26.91</b> (AUG)	<b>20.10</b> (AUG)	<b>24.81</b> (AUG)	<b>25.70</b> (JUL) ↓↓	<b>26.80</b> (JUL) ↓↓							
			<b>MONTH AGO</b>		<b>3.91F</b>	<b>3.85F</b>							
	23.62	26.66	22.52	25.79	26.90	4.08F							
			<b>YEAR AGO</b>		17.80	3.94F							
	17.08	16.51	15.95	15.92	17.80	3.92F							
<b>CATTLE - DAIRY PURPOSES(\$/HD) NORTHEAST (Avg. Sept. 14, 2022 sale New Holland, PA)</b>													
<b>COWS:</b> Fresh	Bred	Springing	*HEIFERS:	Bred	Springing	Beef x	Open:	300-600 lbs	Beef X	600-900 lbs	Beef X	900-1300 lbs	<b>BULLS</b> (900+ lbs)
	1400	1200	1400		1260	1470	1200	425	N/A	660	N/A	N/A	N/A
							<b>WEEK AGO COMPARISON</b>						
	1300	1285	1590		1180	1350	N/A	450	300	700	N/A	1075	1550
<b>Avg. of prices reported by USDA Market News for PA Auction Markets Sept. 15-20, 2022</b>				<b>FED HOLSTEIN STEERS (\$/CWT LIVELWEIGHT)</b>				<b>CURRENT</b> Beef x <b>WEEK AGO</b> <b>YR AGO</b>					
<b>CULL MARKET COWS (\$/CWT LIVELWEIGHT)</b>				Choice & Prime 1250-1550 lbs light test				<b>118.35</b>					
<b>Premium White</b>				<b>BULL CALVES:</b> No. 1 & 2, 90-130 lbs				<b>120.00</b> <b>300.00</b> 132.00 280 105.00					
<b>Breakers</b>				70-85 lbs				<b>120.00</b> <b>385.00</b> 134.00 300 100.00					
<b>Boners</b>													
<b>Lean</b>													

<b>Avg. of prices reported by USDA Market News for PA Auction Markets Sept. 15-20, 2022</b>	<b>CULL MARKET COWS (\$/CWT LIVELINE)</b>	<b>Premium White</b>	<b>Breakers</b>	<b>Boners</b>	<b>Lean</b>
		<b>85.85</b> ↑↑	<b>80.50</b> ↑↑	<b>69.38</b> ↑↑	
		<b>WEEK AGO</b>	84.60	80.00	68.50
		<b>YEAR AGO</b>	73.1000	66.75	54.85

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