

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — TUESDAY, APR. 28, 2020 — except where noted

APRIL: As we deal with continued market volatility as a result of COVID-19, here is how current milk prices and March production numbers were reported. The major impact as a result of COVID-19 is expected to be much more pronounced when April numbers start being reported in early May.

Class III and IV futures continued their downward trends this month. The Class III price for the next 12 months now averages \$14.45. This is a decline of \$1.45 since this time last month. Average Class IV price is \$12.63, a \$2.28 drop since last month. Details are not yet available on how direct payments announced by USDA will be calculated.

March U.S. milk production was up 2.2% compared to March 2019 driven by a 0.3% increase in cow numbers and a 1.9% increase in milk production per cow. The national herd is now 9.361 million. This is 28,000 head more than last March. Dairy cow slaughter was down 4.8% to 288,000 compared to March 2018.

Pennsylvania milk production was up 2.0% from last March driven by a 4.1% increase in milk production per cow. Across all milk cows, the average Pennsylvania milk cow is producing 2.7 pounds per day more than she did last year. Cow numbers continued its year over year decrease. The Pennsylvania milk herd is down 2.2% from last year to 485,000 head.

Total export value reached nearly \$523 million in February and was 13.1% higher than last February. March numbers are expected to be significantly lower as a result of COVID-19's effect on global trading partners. February import value was up nearly 22% compared to last year at \$310 million.

The Center will host a fourth COVID-19 dairy industry conference call next Thursday, May 7 from 12-1 p.m. Four panelists will be joining us to provide updates and answer questions. The four panelists include:

Cynthia Walters with Pennsylvania's state FSA office will provide an

update and answer questions about direct payments announced by USDA;

Rob Barley with PMMB will explain what the \$15.00/cwt Class I floor passed by the PMMB during an emergency hearing will mean for Pa. dairy farmers;

Jud Heinrichs with Penn State will talk about nutrition strategies for reducing milk production and answer questions on what strategy might work best for you; and

John Noullet, Mental Health Care Educator at Philhaven, will provide strategies for managing stress on the farm caused by COVID-19 and how to support family and community members who may be struggling with mental health.

You may join the call by dialing 987-990-5000. When asked, enter the Access Code 553371 followed by the # sign. Please submit questions prior to next Thursday's call by calling or texting 717-585-0766 or emailing me at the email address listed above.

This call will be recorded and made available to you if you are not able to join us next Thursday. Previous calls have been recorded and can be accessed online at centerfordairyexcellence.org/covid-19. If you do not have Internet access, you can listen to recordings of the calls by telephone. See the included table to get access to each recorded call.



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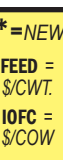


Telephone Access to Recorded COVID-19 Dairy Industry Conference Calls
To Access All Recordings:
First Dial: 978-990-5099, Enter Access Code: 553371#
To Listen to Part One, 4/7/20: Enter Reference number: 2#
To Listen to Part Two, 4/14/20: Enter Reference number: 3#
To Listen to Part Three, 4/23/20: Enter Reference number: 4#

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

***MARGIN =**
Milk
Price
over
Feed
Cost

per cwt.
YELLOW =
payment
triggered



*** = NEW**
FEED =
\$/CWT.
***MAR.**
IOFC =
\$/COW

Price
averages
do not
include
lower-end
'common'
cows and
heifers.

Average
to high
dressing

CME DAILY FUTURES & OPTIONS TRADING — APR. 28, 2020 AT THE CLOSE

APR-20	MAY-20	JUN-20	JUL-20	AUG-20	SEP-20	OCT-20	NOV-20	DEC-20	JAN-21	FEB-21	MAR-21	TREND
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CLASS III MILK FUTURES (\$/CWT)

13.17	11.28	12.12	13.42	14.48	15.21	15.58	15.68	15.53	15.35	15.28	15.34	↑↑
----- WEEK AGO -----												
13.37	10.39	11.16	13.11	14.31	14.93	15.29	15.25	15.20	15.16	15.16	15.34	

HIGHEST & LOWEST DAILY SETTLE PRICE OVER LIFE OF CONTRACT AND MONTH/YEAR IT OCCURRED

18.16 12/19	17.76 12/19	17.62 01/20	17.73 01/20	17.85 01/20	17.95 01/20	18.05 01/20	18.01 01/20	17.95 01/20	17.67 01/20	17.67 01/20	17.85 01/20	
13.37 04/20	10.39 04/20	11.16 04/20	13.11 04/20	14.31 04/20	14.61 03/20	14.52 11/18	14.52 11/18	14.65 03/20	14.66 03/20	14.80 03/20	14.82 03/20	

MILK BASIS (\$/CWT) — PA BASIS & 2014-16 AVG OF PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)

PA	1.58	1.19	1.60	1.28	1.01	0.85	1.33	1.87	1.70	2.75	2.30	1.81
*AVG	2.02	1.25	2.14	1.80	1.12	0.90	1.32	1.82	1.65	2.72	2.70	2.25

MPP/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	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	JUL-19	AUG-19	SEP-19	OCT-19	NOV-19	DEC-19	JAN-20	*FEB-20	
	7.71	7.91	8.66	8.82	9.00	8.63	9.27	9.85	10.41	10.88	12.21	11.95	10.72	*10.06	↓↓

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-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	JUL-19	AUG-19	SEP-19	OCT-19	NOV-19	DEC-19	JAN-20	*FEB-20	MAR-20	
10.79	11.00	11.63	11.61	11.76	11.82	12.52	12.94	13.39	13.98	15.29	14.94	13.86	*13.18	*11.82	↓↓

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-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	JUL-19	AUG-19	SEP-19	OCT-19	NOV-19	DEC-19	JAN-20	*FEB-20	MAR-20	
10.46	10.37	11.34	11.39	11.21	11.54	11.52	11.48	12.73	13.17	13.09	13.78	13.10	*12.20	*11.80	

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

13.25 CAB	11.25 0.11	12.00 0.36	13.50 0.68	14.50 0.82	15.25 0.93	15.50 0.82	15.75 0.95	15.50 0.86	15.25 0.80	15.25 0.73	15.25 0.73	
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JUL-20	SEP-20	DEC-20	MAR-21	Example	MAY-20	JUL-20	SEP-20	DEC-20
CORN (\$/BU) OPTIONS — CALLS				Daily Strike Price / Premium	SOYMEAL (\$/TON) OPTIONS — CALLS			
3.20	17.50	3.40	16.70		270	22.40	270	28.45
3.80	03.50	4.20	02.70		295	03.35	315	04.65

CORN FUTURES (\$/BU)

MAY-20	JUL-20	SEP-20	DEC-20	MAR-21	MAY-21	JUL-21	SEP-21	DEC-21	JUL-21	SEP-21	DEC-21	TREND
3.044	3.144	3.220	3.334	3.470	3.544	3.604	3.580	3.636	3.734	3.786	3.816	↓↓
----- WEEK AGO -----												
3.174	3.246	3.374	3.366	3.494	3.560	3.610	3.590	3.652	3.764	3.816	3.850	

SOYMEAL FUTURES (\$/TON)

MAY-20	JUL-20	AUG-20	SEP-20	OCT-20	DEC-20	JAN-21	MAR-21	MAY-21	JUL-21	AUG-21	SEP-21	TREND
283.2	288.6	289.7	291.0	292.0	294.6	294.8	292.1	291.5	294.1	294.9	295.3	↓↓
----- WEEK AGO -----												
292.9	293.0	293.9	294.3	296.6	296.5	292.5	292.4	295.4	296.0	295.7	294.6	

PA MILK MARGIN & IOFC—LATEST PSU VALUES — *MAR. 2020

FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)
*MAR. 7.17 ↓↓	*8.87 ↓↓	*11.80 ↓↓
*PREV MO 7.20	9.15	12.20
YR AGO 7.11	8.55	11.39

CME DAIRY CASH-SETTLED FUTURES (\$/LB) 04/28/20

	APR	MAY	JUN	JUL	AUG	SEP	OCT	SPOT CASH	TREND
NFDM	0.960	0.850	0.860	0.895	0.930	0.965	0.988	↓ 0.8075 ↓↓	
WHEY	0.376	0.374	0.380	0.382	0.390	0.380	0.380	MIXED 0.3850 ↑↑	
BUTTER	1.282	1.185	1.245	1.287	1.350	1.420	1.462	↓ 1.1575 ↓↓	
CHEESE	1.413	1.221	1.296	1.442	1.550	1.619	1.660	↑↑ See Below	
CME SPOT CHEESE:	BARRELS 1.0800 / 40 LB BLOCKS 1.1900				↑↑ / ↑↑				

USDA NOV. 2019
ALL-MILK BF MAILBOX
*WI \$22.40 4.04 \$22.13
*NE \$20.90 4.04 \$20.61
*FL \$23.10 3.76 \$20.49
*U.S. \$21.00 4.06 \$20.11
*SE \$21.50 3.81 \$20.00
*APP \$21.20 3.98 \$19.93
*PA \$21.00 4.02 \$19.75
*NY \$20.50 4.02 \$19.42
*PA Western PA only \$19.29
*OH \$20.70 4.04 \$18.82
*MI \$19.20 3.98 \$17.47

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

*CL I ADV	*CL II	*CL III	*CL IV	ALL-MILK-U.S.	ALL-MILK-PA
*12.95(MAY)	*13.87(APR)	*13.07(APR)	*11.40(APR)	18.90(FEB) ↓↓	19.40(FEB) ↓↓
----- MONTH AGO -----					
16.64	16.75	16.25	14.87	19.60	20.20
----- YEAR AGO -----					
16.42	16.61	15.04	15.71	16.80	17.90

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

PRODUCT	VALUE	MAKEALLOW	NET	*APR. 2020 COMPONENTS
*CHEESE	1.4026	0.2003	1.2023	*PROT 2.4822 ↓↓
*BUTTER	1.2630	0.1715	1.0915	*B.FAT 1.3218 ↓↓
*NFDM	0.9552	0.1678	0.7874	*N.FAT 0.7795 ↓↓
*DRYWHEY	0.3732	0.1991	0.1741	*OTHER 0.1793 ↓↓

CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. APRIL 1, 2020 sale New Holland, PA) NO REPORT since 4/1/20

COWS Fresh	Bred	Springing	HEIFERS: Bred	Beef x (bred)	Springing	Open: 300-600 lbs	Beef X 600-900 lbs	800-1200 lbs	BULLS (600-1800 lb)
1125	800	N/A	775	N/A	875	260	N/A	425	700
----- FOUR WEEK RUNNING AVG -----									
1075	950	850	750	N/A	850	300	N/A	475	750

Avg. of prices reported by USDA Market News for PA & NY Auction Markets April 16-21, 2020

CULL MARKET COWS (\$/CWT LIVEWEIGHT)

N/A		NO REPORT		brought to you by:	
----- 3 WEEKS AGO -----					
N/A	57.50	56.85	47.85		
----- YEAR AGO -----					
N/A	59.50	58.00	52.00		



CENTER FOR DAIRY EXCELLENCE

