

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — TUESDAY, JUNE 2, 2020 — except where noted



ZACH MYERS
Risk Education
Manager
336-468-0726
zmyers@centerfordairy
excellence.org



Crop Progress: COVID-19 has slowed or shut a lot of things down since the middle of March. One thing it has not slowed down was the weather. Except for some colder than average temperatures in late April and early May that brought light snow in parts of the state, the weather has been good for getting spring fieldwork done. During the abnormally cold stretch that saw frost several mornings, a lot of fruit trees and fruit plants were in full bloom and the extent of frost damage was harmful. One orchard and berry farm near me reported nearly their entire strawberry crop was killed by frost. It has warmed up nicely since then, and there have been plenty of dry days to go with adequate rainfall, making this spring an overall good one for planting. Crop Progress reports can be found online at usda.library.cornell.edu/concern/publications/8336h188j and contain the current report and archived reports back to 1995. Pennsylvania is one of the top 18 producers of corn and top 9 producers of oats.

As of the June 1, 2020 report, Pennsylvania has 80% of its corn planted and is on track with the 5-year average of 79%. Corn planting at this point in the year is ahead of last year, indicating better weather this year. Last spring was wet in several parts of the state, and only 72% of the corn was in the ground this time last year. A testament to how nice the weather was last week for planting is seen when compared to last week's report. The Crop Progress report dated May 26 showed that only 47% of the corn crop was planted. This was well below the 5-year average of 65% at the end of the third week in May. Pennsylvania farmers were able to get about one-third of the corn crop in the ground last week.

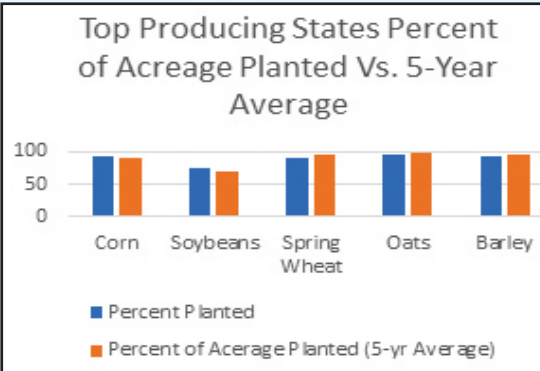
Pennsylvania is not as far along with its oat crop compared to the 5-year average of 97% of oats acreage planted. However, at 91% planted, it is not very far behind. Pennsylvania is not in the top 18 soybean producers so individual state statistics are not reported, but the top 18-state total of 75% of soybean acreage planted is ahead of the 68% 5-year average and well above last year's 36%.

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

If you remember, much of the country was extremely wet last spring, and planting was well behind schedule. Soil moisture across the state shows adequate recent rainfall with 89% of the cropland acreage estimated to have adequate topsoil moisture content compared to 3% short and 8% surplus.

The USDA began accepting applications through local Farm Service Agency (FSA) offices on Tuesday, May 26 for direct payments to farmers with funds provided by the Coronavirus Food Assistance Program (CFAP). On June 12, 2020 from 8-9 a.m., I will be hosting "A Step-by-Step Guide to Submitting CFAP Applications" free webinar for anyone interested in learning how to use the USDA's online tools for submitting applications. I will be walking participants through the process of downloading, completing, and submitting the completed application to FSA. With many farms having limited Internet access, consultants can join this webinar and assist their customers and clients with completing and submitting applications.

The webinar is free, but registration is required. You may register online at www.centerfordairyexcellence.org/cfap-webinar.



CME DAILY FUTURES & OPTIONS TRADING — JUNE 2, 2020 AT THE CLOSE

| | JUN-20 | JUL-20 | AUG-20 | SEP-20 | OCT-20 | NOV-20 | DEC-20 | JAN-21 | FEB-21 | MAR-21 | APR-21 | MAY-21 | TREND | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------|---------|---------|
| CLASS III MILK FUTURES (\$/CWT) | 19.60 | 18.26 | 17.10 | 16.86 | 16.68 | 16.55 | 16.35 | 16.10 | 16.10 | 16.06 | 16.10 | 16.14 | ↑↑ | | |
| WEEK AGO | 17.52 | 16.86 | 16.28 | 16.27 | 16.53 | 16.55 | 16.24 | 15.90 | 15.89 | 16.03 | 16.01 | 16.00 | | | |
| HIGHEST & LOWEST DAILY SETTLE PRICE OVER LIFE OF CONTRACT AND MONTH/YEAR IT OCCURRED | 17.62 01/20 | 19.60 06/20 | 18.26 06/20 | 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 | 17.40 01/20 | 17.30 01/20 | | | |
| 11.16 04/20 | 13.11 04/20 | 14.31 04/20 | 14.61 03/20 | 14.52 11/18 | 14.65 03/20 | 14.66 03/20 | 14.80 03/20 | 14.82 03/20 | 14.62 03/20 | 14.62 03/20 | 14.56 03/20 | | | | |
| MILK BASIS (\$/CWT) — PA BASIS & 2014-16 AVG OF PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3) | PA 1.60 | 1.28 | 1.01 | 0.85 | 1.33 | 1.87 | 1.70 | 2.75 | 2.30 | 1.81 | 1.58 | 1.19 | | | |
| *AVG 2.14 | 1.80 | 1.12 | 0.90 | 1.32 | 1.82 | 1.65 | 2.72 | 2.70 | 2.25 | 2.02 | 1.25 | | | | |
| 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 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 | *APR-20 | |
| 8.66 | 8.82 | 9.00 | 8.63 | 9.27 | 9.85 | 10.41 | 10.88 | 12.21 | 11.95 | 10.72 | 10.06 | 9.15 | *6.03 | ↓↓ | |
| 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) | 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 | *APR-20 |
| 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 | *12.23 | *7.98 | ↓↓ |
| 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) | 10.46 | 10.37 | 11.21 | 11.54 | 11.52 | 11.48 | 12.73 | 13.17 | 13.09 | 13.76 | 13.78 | 13.10 | *12.20 | *11.24 | *7.61 |

| CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------|-------|-------|--|-------|-------|-------|--|-------|-------|-------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 19.50 | 0.37 | 18.25 | 0.78 | 17.00 | 0.79 | 16.75 | 0.85 | 16.75 | 0.96 | 16.50 | 0.94 | 16.25 | 0.90 | 16.00 | 0.83 | 16.00 | 0.88 | 16.00 | 0.91 | 16.00 | 0.90 | 16.25 | 0.90 |
| JUL-20 CORN (\$/BU) OPTIONS — CALLS | | | | SEP-20 CORN (\$/BU) OPTIONS — CALLS | | | | DEC-20 CORN (\$/BU) OPTIONS — CALLS | | | | MAR-21 CORN (\$/BU) OPTIONS — CALLS | | | | | | | | | | | |
| 3.05 | 18.20 | 3.20 | 18.60 | 3.40 | 18.60 | 3.60 | 18.00 | 3.05 | 18.20 | 3.20 | 18.60 | 3.40 | 18.60 | 3.60 | 18.00 | 3.05 | 18.20 | 3.20 | 18.60 | 3.40 | 18.60 | 3.60 | 18.00 |
| 3.35 | 03.70 | 3.80 | 03.20 | 4.10 | 03.60 | 4.40 | 03.40 | 3.35 | 03.70 | 3.80 | 03.20 | 4.10 | 03.60 | 4.40 | 03.40 | 3.35 | 03.70 | 3.80 | 03.20 | 4.10 | 03.60 | 4.40 | 03.40 |

| CORN FUTURES (\$/BU) | | | | | | | | | | | | | |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----|
| 3.240 | 3.284 | 3.382 | 3.504 | 3.572 | 3.624 | 3.620 | 3.686 | 3.780 | 3.832 | 3.870 | 3.782 | 3.782 | ↑↑ |
| WEEK AGO | | | | | | | | | | | | | |
| 3.204 | 3.252 | 3.344 | 3.464 | 3.540 | 3.592 | 3.586 | 3.654 | 3.750 | 3.806 | 3.840 | 3.750 | | |
| SOYMEAL FUTURES (\$/TON) | | | | | | | | | | | | | |
| 286.3 | 288.4 | 290.0 | 291.3 | 294.3 | 295.3 | 294.8 | 294.8 | 297.5 | 298.3 | 297.9 | 296.6 | 296.6 | ↑↑ |
| WEEK AGO | | | | | | | | | | | | | |
| 282.0 | 284.4 | 286.7 | 288.5 | 292.2 | 293.2 | 291.5 | 290.6 | 293.1 | 293.9 | 293.6 | 292.3 | | |

| PA MILK MARGIN & IOFC—LATEST PSU VALUES — *APR. 2020 | | | | CME DAIRY CASH-SETTLED FUTURES (\$/LB) | | | | | | | | | | |
|---|-----------------------------|------------------------------|----------------|---|--------------------------------------|-------|---------|-------|-------|-------|-------|-----|-----------|-------|
| FEED COST (\$/CWT milk) | IOFC (\$/COW @ 75 lbs milk) | PA MILK MARGIN (\$/CWT milk) | *APR. *7.48 ↓↓ | *5.71 ↓↓ | *7.61 ↓↓ | MAY | JUN | JUL | AUG | SEP | OCT | NOV | SPOT CASH | TREND |
| *PREV MO | 7.66 | 8.43 | 11.24 | NFDM | 0.851 | 0.990 | 1.080 | 1.104 | 1.129 | 1.150 | 1.160 | ↑↑ | 1.0150 ↓↓ | |
| *YR AGO | 7.09 | 8.41 | 11.21 | WHEY | 0.380 | 0.360 | 0.346 | 0.348 | 0.350 | 0.350 | 0.350 | ↓↓ | 0.3100 ↓↓ | |
| | | | | BUTTER | 1.325 | 1.715 | 1.880 | 1.890 | 1.900 | 1.924 | 1.920 | ↑↑ | 1.7200 ↑↑ | |
| | | | | CHEESE | 1.305 | 2.064 | 1.926 | 1.810 | 1.774 | 1.757 | 1.754 | ↑↑ | See Below | |
| | | | | CME SPOT CHEESE: | BARRELS 2.2125 / 40 LB BLOCKS 2.5050 | | ↑↑ / ↑↑ | | | | | | | |

| **USDA FEB 2020 ** ALL-MILK BF MAILBOX | | | | | | | | | | *NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) | | | | | | | | | | *CURRENT FEDERAL ORDER VALUES (\$/LB) *NEW | | | | | | | | | |
|---|---------|------|---------|-------|--------|--------|-------|---------|-------|---|-------|----------------|--------------|--------------|--------------|--------------|--------------|-------|--------------|---|-----------------------------------|---------------------|-----------|-----------|--|--|--|--|--|
| *FL | \$22.10 | 3.67 | \$20.25 | *CL I | ADV ↓↓ | *CL II | ↓↓ | *CL III | ↓↓ | *CL IV | ↓↓ | *ALL-MILK-U.S. | *11.42 (JUN) | *12.30 (MAY) | *12.14 (MAY) | *10.67 (MAY) | *14.40 (APR) | ↓↓ | *15.30 (APR) | ↓↓ | WEIGHTED AVG. 4-WK MAY 1-30, 2020 | MAY 2020 COMPONENTS | | | | | | | |
| *MN | \$19.80 | 4.17 | \$19.29 | 11.42 | 12.30 | 12.14 | 10.67 | 14.40 | 15.30 | 11.42 | 12.30 | 12.14 | 10.67 | 14.40 | 15.30 | 11.42 | 12.30 | 12.14 | 10.67 | 14.40 | 15.30 | *PROT | 2.0918 ↓↓ | | | | | | |
| *NE | \$19.60 | 3.99 | \$19.03 | 12.95 | 13.87 | 13.07 | 11.40 | 18.00 | 18.90 | 12.95 | 13.87 | 13.07 | 11.40 | 18.00 | 18.90 | 12.95 | 13.87 | 13.07 | 11.40 | 18.00 | 18.90 | *B.FAT | 1.3756 ↑↑ | | | | | | |
| *SE | \$20.60 | 3.80 | \$18.97 | 17.01 | 16.48 | 16.38 | 16.29 | 17.70 | 18.30 | 17.01 | 16.48 | 16.38 | 16.29 | 17.70 | 18.30 | 17.01 | 16.48 | 16.38 | 16.29 | 17.70 | 18.30 | *N.FAT | 0.6746 ↓↓ | | | | | | |
| *IL | \$19.40 | 4.01 | \$18.62 | | | | | | | | | | | | | | | | | | | | *OTHER | 0.1882 ↓↓ | | | | | |
| *OH | \$19.40 | 4.01 | \$18.62 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *PA | \$19.90 | 3.92 | \$18.58 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *W | \$18.70 | 3.99 | \$18.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *IA | \$19.50 | 4.11 | \$18.38 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *TX | \$19.40 | 4.31 | \$18.15 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *NY | \$19.10 | 3.98 | \$18.15 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *NY | \$19.10 | 3.98 | \$18.15 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *PA | \$19.40 | 3.98 | \$18.14 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *U.S. | \$18.90 | 4.01 | \$18.03 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *IN | \$18.70 | 3.99 | \$18.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *MI | \$19.10 | 3.97 | \$17.82 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *WI | \$17.70 | 3.89 | \$16.77 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *NM | \$17.00 | 3.91 | \$16.14 | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 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 lbs) | | | | | | | |
| | 1125 | 800 | N/A | 775 | N/A | 875 | 260 | N/A | 425 | N/A | 700 | | | | | | | | |
| FOUR WEEK RUNNING AVG | | | | | | | | | | | | | | | | | | | |
| | 1075 | 950 | 850 | 750 | N/A | 850 | 300 | N/A | 475 | 600 | 750 | | | | | | | | |
| Avg. of prices reported by USDA Market News for PA Auction Markets May 14, 2020 | | | | | | | | | | | | | | | | | | | |
| CULL MARKET COWS (\$/CWT LIVEWEIGHT) | | | | | | | | | | | | | | | | | | | |
| Premium White | Breakers | Boners | Lean | | | | | | | | | | | | | | | | |
| N/A | 63.50 ↑↑ | 61.00 ↑↑ | 51.00 ↑↑ | | | | | | | | | | | | | | | | |
| FIVE WEEKS AGO | | | | | | | | | | | | | | | | | | | |
| N/A | 54.25 | 56.85 | 47.85 | | | | | | | | | | | | | | | | |
| YEAR AGO | | | | | | | | | | | | | | | | | | | |
| N/A | 67.85 | 66.50 | 54.00 | | | | | | | | | | | | | | | | |

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