DE DAIRY MARKETS & MANAGEMENT UPDATE

TUESDAY, DEC. 3. 2019

ONE YEAR: December 10, 2018 marked the start of a new era for my family and me. That was my first day working for the Center for Dairy Excellence. I am coming up on my one-year anniversary of living and working in Pennsylvania. I grew up on my family's dairy, and for 16 years, I was the third generation to run it.

It was a difficult decision, for us to sell our cows, in many ways. Of course, the main issue was the fact that this is what our family had been doing for 70 years, and we did not want it to end. But I also had a nagging question tugging at me: What am I going to do after the cows are gone?

In order to stay in the industry that I grew to love and enjoy, I knew I probably would not be able to stay in North Carolina. All the dairy-related job postings I saw were in California, Idaho, Texas, Michigan, Wisconsin and New York, a lot further away than I wanted to move. Then one day while I was working at the farm getting ready for our equipment sale, my wife emailed me a link to a job posting she had found for a risk management position at the Center for Dairy Excellence in Harrisburg, Pennsylvania with a short note saying she thought this position would be a great fit for me.

I read through the job description and agreed. So, I applied, made it through the interview process, and here I am a year into a new career. The folks here in the Pennsylvania dairy industry have been very welcoming to me, and I am grateful to everyone here for making my transition from dairy farmer to dairy sup-

A b E port personnel as seamless as possible!

Some of you may be asking, what does this have to do with markets and man-

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



Change is inevitable, and although change can be scary, it does not have to be feared. Just like milk prices or feed prices, change can be managed.

I remember my grandpa telling me what a difference it made when he went from milking cows by hand to his first milking machines. Likewise, I remember my dad saying what a difference the automatic takeoff made, and what a difference computer technology made to my ability to manage the herd. You deal with change without putting much thought into it because it is just part of the daily routine.

I always started my workday on the dairy with a plan, and it seldom went as I had anticipated. You never know when a piece of equipment is going to break down or when the cows are going to get out. When something happens to change your daily plan, you make decisions to manage that "change" and prioritize what needs to be accomplished.

Sometimes you need help navigating change. The Center has numerous resources available to help you plot your course for the ever-changing dairy industry. Please take advantage of us and our resources to make sure you manage change effectively. One year ago, my family made a huge change. I have had a

great year and I am looking forward to the next year.

es. Ine n	nai ket data be	low are comp	piled weekly b	y raimsiine,	VIA CIVIL & 03	DA Teports								
_	CME DAILY FUTURES & OPTIONS TRADING — DEC. 3, 2019 AT THE CLOSE													
	DEC-19	JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	JUL-20	AUG-20	SEP-20	OCT-20	NOV-20	TREND	
۱ ۱	CLASS II	I MILK FU	TURES (\$/	CWT)										
	19.34	18.92	18.16	17.76	17.50	17.37	17.36	17.48	17.58	17.65	17.53	17.48	MIXED	
* AVG = Average	40.07	40.00	40.00	47.70	47.40	WEEK		47.54	47.00	47.00	47.40	47.50		
basis for	19.07	18.66	18.08 SHEST & LOV	17.73	17.49	17.40	17.38	17.51	17.63	17.69	17.49	17.50		
North- East and		9 19.34 12/1:							ND MONTH/ 1/19 17.64 11				12/19	
Mid-East		3 14.62 11/18	3 14.63 11/	/18 14.59 11/1	8 14.65 11/18	8 15.12 11/	18 15.01 11	/18 15.01 11	/18 14.99 11	/18 14.52 11	/18 14.52 1	11/18 15.02	11/18	
*MARGIN			- PA BAS										ISS 3)	
= Milk	PA 2.75	2.30	1.81	1.58	1.19	1.60	1.28	1.01	0.85	1.33	1.87	1.70		
Price	*AVG 2.72	2.70	2.25 OSS MARGIN	2.02	1.25	2.14	1.80	1.12	0.90	1.32	1.82	1.65		
over Feed			NOV-18						MAY-19 JU				CT-19	
Cost	8.26	8.96		7.85	7.71	7.91	8.66	8.82		.63 9.27		10.41 *10		
per cwt. YELLOW	U.S. AVG MIL				_			-			-	-		
=			OCT-18 NO											
payment	10.24		11.73 11.						3 11.82 1				•	
ırıggerea	PA AVG MILK I 10.04		11.68 11.		_	ge and USDA 11.34			com & aitaita i 4 11.52					
			WT) OPTIO						7 11.02	11.40 12.	70 10	.20 13.3	<u> </u>	
			18.25 0.51						.61 17.50 0.	58 17.75 0.	69 17.75	0.64 17.50	0.71	
	DI			JUL-20	SEP-20		mple		MAY-20	JUL-20	SEP-2			
		-	\$/BU) OP				Strike		AL (\$/TON)					
					3.80 26.40 4.90 03.60		Premium		280 25.90 350 01.80					
#	CORN FUT			4.70 03.70	4.90 03.00			300 01.00	330 01.80	370 01.80	390 01	.70		
				00	0ED 00	DE0 00	MAD 04	B44V 04	04	OED 04	DE0 04	04	TREND	
	DEC-19		MAY-20	JUL-20	SEP-20		MAR-21	MAY-21	JUL-21	SEP-21	DEC-21	JUL-21		
W /	3.686	3.764	3.844	3.892	3.874	3.920	4.022	4.072	4.102	4.034	4.062	4.232	MIXED	
	3.674	3.782	3.842	3.894	3.890	3.932	4.026	4.076	4.106	4.044	4.072	4.242		
7	SOYMEAL		(\$/TON)											
	DEC-19		MAR-20	MAY-20	JUL-20	AUG-20	SEP-20	0CT-20	DEC-20	JAN-21	MAR-21	MAY-21	TREND	
184	294.6	296.7	299.6	302.6	305.8	307.4	308.6	308.8	310.9	310.9	310.0	310.3	‡ ‡	
00						WEEK AGO								
	294.7	297.1	300.6	304.3	308.2	309.8	310.6	310.4	312.0	312.2	310.7	310.4		
*=NEW	PA MILK MARGIN & IOFC-LATEST PSU VALUES - *OCT. 2019 CME DAIRY CASH-SETTLED FUTURES (\$/LB) 12/03/19 SPOT CASH TREND DEC JAN FEB MAR APR MAY JUN 12/03/19 12/03/19													
FEED =		FEED COST CWT milk		,	MILK MAR	-	اط 1.1 NFDM		FEB MA 1.243 1.25		MAY J 1.270 1.		2/03/19 .2500 ↑↑	
\$/CWT.	*OCT.	6.891**		0.49 † †	(\$/CWT mil *13.9	n tt	VHEY 0.3	0.336	0.368 0.37	73 0.376	0.389 0.	397 ↓↓ 0	.3550 11	
IOFC =	PREV MO	6.89		9.96	13.28	0 6			2.034 2.05 1.979 1.89		2.114 2.	146 ↓↓ 1 804 11 Se	.9250 ↓↓	
\$/COW	VD ACC	0.40		0.70	44.00	0	MEESE Z.	10 2.009	1.013 1.05	70 I.049	1.012 1.	00 4 11 30	C DCIOM	

YR AGO 6.42 8.76 11.68

N/A

70-85 lbs

N/A

N/A

CME SPOT CHEESE: BARRELS 2.2625 / 40 LB BLOCKS 1.9475 11 / 11 *CURRENT FEDERAL ORDER VALUES (\$/LB) * = *NEW WEIGHTED AVG. 4-WK NOV. 1 - 30, 2019 * NOV 2019

USDA JULY 2019 ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) \$19.38 \$18.85 \$18.64 CL I ADV11*CL II11 *CL III11 *CL IV11 *ALL-MILK-U.S *ALL-MILK-PA 19.33(DEC) *16.85(NOV)*20.45(NOV) *16.60(NOV) *19.30(OCT) 11*20.10(OCT) 11 VALUE CHEESE 2.1723 MONTH AGO 2.0869 *BUTTER 18.14 16.68 18.72 16.39 19.30 19.60 1.1540 YEAR AGO NFDM **DRYWHEY** 0.3071 14.43

MAKE ALLOW NET **COMPONENTS** 0.2003 1.9720 *PROT 3.9118 0.1715 1.9154 🔱 *B.FAT 2.3195 0.1678 0.9862 11 *N.FAT 0.9763 0.1080 *OTHER 0.1991 0.1192

N/A

650

84 75

70.00

35.00

WFFK AGO

CATTLE - DAIRY PURPOSES(\$/HD) NORTHEAST (Avg. DEC. 4, 2019 sale New Holland, PA) Springing HEIFERS: Bred Beef x (bred) Springing Open: 300-600 lbs Beef X 600-800 lbs **COWS Fresh** averages Bred do not 675 N/A 975 1195 1075 1275 (Itd) include FOUR WEEK RUNNING AVG 1100 975 1250

650 N/A 975 250 FED HOLSTEIN STEERS (\$/CWT LIVEWEIGHT) Choice & Prime 1250-1550 lbs liaht test

BULL CALVES: No. 1 & 2, 90-130 lbs

Dairy EXCELLENCE

brought to you by:

N/A

375

No test

65.00

21.00

CURRENT



11

800-1200 lbs BULLS (600-1800 lb)

975

850

YR AGO

81 50

22 00

No Test

Breakers Boners Premium White Lean N/A 58.8511 54.35 11 47.50 11 Average to high dressing **WEEK AGO** N/A 57.50 54.75

cows and

heifers

48.75 YEAR AGO 49.75 46.25 38.50

Avg. of prices reported by USDA Market News for

& NY Auction Markets Dec. 2 - 3, 2019

CULL MARKET COWS (\$/CWT LIVEWEIGHT)