

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — TUESDAY, APRIL 10, 2018 — except where noted



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MPP Revisions: The Farm Service Agency (FSA) registration and re-enrollment period for the Margin Protection Program (MPP) opened on April 9 and continues until June 1.

"The re-enrollment period allows dairy producers, including those that previously signed up and those that did not, an opportunity to make new elections for 2018," says FSA. Coverage begins January 1, 2018, so farms can buy retroactive coverage. The details are available at https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafilms/FactSheets/2018/mpp_dairy_program_april_2018.pdf.

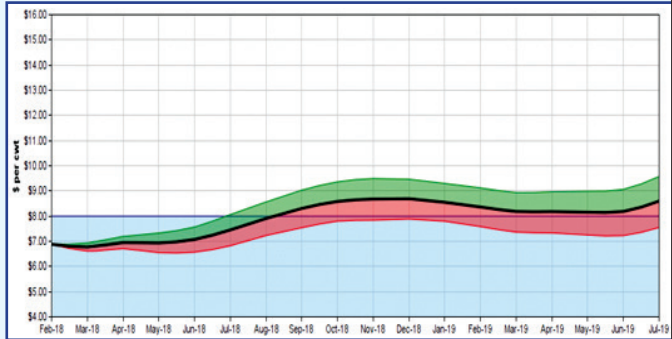
"If a dairy operation previously elected coverage for 2018, a new coverage election for 2018 must be made during the re-enrollment period. If a new election for 2018 is not made, the dairy operation will not have any coverage for 2018. If the dairy operation has already paid the 2018 premium, a refund may be requested or that amount may be applied to the dairy operation's newly calculated premium for 2018 pending their choices in re-enrolling. Premium balances due by Sept. 1 will not be deducted from any MPP-Dairy payments made to the participating dairy operation during the applicable calendar year of coverage."

Futures market prices anticipate MPP margins below \$8.00 through August. Premiums are significantly lower for farms with a covered production history less than 5 million pounds of annual milk. These farms could receive net payments of \$0.30 per hundredweight at these projected prices.

Sales and service representatives supporting dairy farms are encouraged to join us on Tuesday, April 17, in Bedford or in Grove City, on Friday, April 20, in Lancaster, on Tuesday, April 24, in State College or Mansfield for the Center's spring Roundtable meeting. We will discuss current market dynamics,

the 2017 Pennsylvania Dairy Study, changes to Dairy MPP and consider the stress on dairy farms today. For more information or to register, please contact Heidi Zimmerman at hzimmerman1@centerfordairyexcellence.org or call (717) 346-0849.

If your farm is experiencing a market loss or you just want help in evaluating your options and developing a path forward, the Center for Dairy Excellence may be able to help. The Dairy Decisions Consultants Program will align your farm with a consultant who is prepared to walk you through these decisions, the options available and your strategy to move forward. If you are interested, contact the center at 717-346-0849 or by email at info@centerfordairyexcellence.org.



Prices change daily. This market information is an example for educational purposes. The market data below are compiled weekly by Farmshine, using CME and USDA reports and the CDE Scorecard.

CME DAILY FUTURES & OPTIONS TRADING — APRIL 10, 2018 AT THE CLOSE

	APR-18	MAY-18	JUN-18	JUL-18	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	TREND
CLASS III MILK FUTURES (\$/CWT)	14.43	14.85	15.23	15.69	15.93	16.16	16.15	16.07	16.00	15.67	15.72	15.69	↑↑
WEEK AGO													
	14.44	14.46	14.83	15.43	15.75	16.05	16.05	15.96	15.90	15.70	15.66	15.62	
HIGHEST & LOWEST DAILY SETTLE PRICE OVER LIFE OF CONTRACT AND MONTH/YEAR IT OCCURRED													
	16.96 02/17	16.96 02/17	16.92 02/17	16.92 02/17	16.90 02/17	16.90 02/17	16.92 02/17	16.95 02/17	16.95 02/17	17.05 02/17	17.27 08/17	16.85 02/17	
	13.53 01/18	13.97 01/18	14.39 01/18	15.05 01/18	15.35 01/18	15.51 01/18	15.52 01/18	15.56 01/18	15.46 01/18	15.40 01/18	13.45 01/18	13.50 01/18	
MILK BASIS (\$/CWT) — PA BASIS & 2014-16 AVG OF PA/NY/VT/OH	— YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)												
PA	1.19	1.60	1.28	1.01	0.85	1.33	1.87	1.70	2.75	2.30	1.81	1.58	
*AVG	1.25	2.14	1.80	1.12	0.90	1.32	1.82	1.65	2.72	2.70	2.25	2.02	
EXPECTED LGM GROSS MARGINS* (at 0.00 deductible) per cwt. based on futures prices for Class III milk, soybeans, corn as of April 5, 6 and 7, 2018	N/A	N/A	5.79	6.25	6.55	6.81	6.83	6.74	6.66	6.40	6.42	6.43	MIXED
3-YR. AVG LGM ACTUAL GROSS MARGINS (at 0.00 deductible) per cwt. based on historical futures contract close-out prices Class III milk, soybeans and corn	6.65	6.33	6.06	5.72	4.94	4.15	5.26	5.62	6.52	6.85	6.85	5.99	
MPP OFFICIAL 2-MO GROSS MARGINS & 1-MO 2018 ON per cwt. (USDA All-Milk, com & alfalfa hay and Illinois soybean prices, feed for all classes of dairy cattle on the farm)	SEP-OCT-16	NOV-DEC-16	JAN-FEB-17	MAR-APR-17	MAY-JUN-17	JUL-AUG-17	SEPT-OCT-17	NOV-DEC-17	*JAN-18	*FEB-18	*MAR-18		
	9.16	10.54	10.82	8.95	8.97	9.67	9.99	9.88	*8.12	*6.88			↓↓
U.S. AVG ACTUAL MILK MARGIN per cwt. based on 75-lb herd average and USDA's All-Milk price, USDA-reported com & alfalfa hay & Illinois soybean prices (lactating herd)	APR-17	MAY-17	JUN-17	JUL-17	AUG-17	SEP-17	OCT-17	NOV-17	DEC-17	*JAN-18	*FEB-18	*MAR-18	
	11.33	11.39	12.07	12.03	12.99	12.74	12.77	13.11	12.16	*10.95	*10.73	*10.30	↓↓
PA AVG ACTUAL MILK MARGIN per cwt. based on 75-lb herd average and USDA's PA All-Milk price, USDA com & alfalfa hay & Buffalo, NY soybean prices (lactating herd)	11.32	11.30	12.23	12.07	13.14	13.11	12.80	12.55	12.12	*10.89	*10.73	*10.34	↓↓

CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium (per dailydairyreport.com)																							
14.50	0.10	15.00	0.32	14.50	0.21	15.25	0.42	16.00	0.68	16.25	0.76	16.25	0.71	16.00	0.71	16.00	0.61	15.75	0.77	15.75	0.79	15.75	0.84
MAY-18				JUL-18				SEP-18				DEC-18				Example Daily Strike Price / Premium							
CORN (\$/BU) OPTIONS — CALLS																							
3.35	54.38	3.50	48.63	3.70	42.38	3.90	47.50	4.10	00.38	4.50	03.50	5.00	05.75	5.30	08.88	370	15.30	360	32.65	350	42.20	390	20.85
CORN FUTURES (\$/BU)																							
3.892	3.977	4.047	4.140	4.215	4.165	4.260	4.300	4.145	4.155	4.235	4.272												
SOYMEAL FUTURES (\$/TON)																							
383.9	388.0	386.4	384.0	380.9	378.8	374.8	363.6	358.7	358.0	355.6	351.0												

* = NEW *PA MILK MARGIN & IOFC-LATEST PSU VALUES—*MAR. 2018																
FEED = \$/CWT.	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)	CME DAIRY CASH-SETTLED FUTURES (\$/LB)										04/10/18	SPOT CASH	TREND
*MAR	*6.10 ↑↑	*7.76 ↓↓	*10.34 ↓↓	MAR	0.717	0.752	0.770	0.795	0.813	0.828	0.841	↑↑	0.7350	↑↑		
IOFC = \$/COW	*PREV MO	*6.08	*8.05	*10.73	APR	0.265	0.282	0.285	0.290	0.294	0.300	0.303	↑↑	N/A		
	YR AGO	6.09	9.53	12.71	MAY	2.287	2.360	2.370	2.391	2.408	2.426	2.446	↑↑	2.3200	↑↑	
					JUN	1.566	1.594	1.629	1.672	1.696	1.714	1.716	↑↑	See Below		
					JUL	CME SPOT CHEESE: BARRELS 1.4775 / 40 LB BLOCKS 1.6400 ↑↑ / ↑↑										

USDA DEC. 2017 ALL-MILK MAILBOX																
* = NEW	ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)	CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW														
CL I ADV	*14.10 (APR)	*CL II	*13.88 (MAR)	*CL III	*14.22 (MAR)	*CL IV	*13.04 (MAR)	*ALL-MILK U.S.	*15.30 (FEB)	*ALL-MILK PA	*15.90 (FEB)	*WEIGHTED AVG. MAR. 1-31, 2018		*MAR. 2018 COMPONENTS		
MONTH AGO																
	13.26	13.44	13.40	12.87	16.10	17.00	PRODUCT VALUE		MAKE ALLOW		NET		PROT		1.8066	
YEAR AGO																
	16.05	16.21	15.81	14.32	18.50	19.60	CHEESE		1.5542		2.0003		1.3539		↑↑	
							BUTTER		2.1759		0.1715		2.0044		↑↑	
							NFDM		0.6963		0.1678		0.5287		↓↓	
							DRYWHEY		0.2531		0.1991		0.0540		↑↑	

***CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. most recent April 4, 2018 sale at New Holland, PA) ***																		
COWS Fresh	1000	Bred	1035	Springing	1000	HEIFERS: Bred	880	Springing	975	Open:	300-600 lbs	430	600-900 lbs	550	900-1200 lbs	775	BULLS (900-1500 lb)	850
FOUR WEEK RUNNING AV4																		
	1000	950	1000	880	975	400	500	765	800	FED HOLSTEIN STEERS (\$/CWT LIVELWEIGHT)		CURRENT	86.00	WEEK AGO	85.00	YR AGO	97.00	↑↑
Avg. of prices reported by USDA Market News for PA & NY Auction Markets April 6-10, 2018																		
CULL MARKET COWS (\$/CWT LIVELWEIGHT)																		
Premium White	N/A	Breakers	60.00 ↑↑	Boners	59.50 ↑↑	Lean	54.50 ↑↑	BULL CALVES: No. 1 & 2, 90-130 lbs		110.00	117.00	150.00	120.00	↓↓				
WEEK AGO																		
	N/A		57.00		56.50		50.75	80-90 lbs		70.00	100.00	120.00	↓↓					
YEAR AGO																		
	68.50	65.75	64.75	62.50														

Price averages do not include lower-end common cows and heifers. Average to high dressing

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