

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — SEPT. 20, 2023 — except where noted



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**A Reminder to be Safe:** The National Safety Council always earmarks the third week in September as National Farm Safety and Health Week. The annual promotion was first an initiative by President Franklin D. Roosevelt in 1944 to remind the farm community to prioritize safety. As farm equipment has gotten much larger and farm practices have gotten much more complex, being aware of the dangers on a farm continues to become more and more important.

The statistics do not lie. According to the U.S. Bureau of Labor, farming is one of the most dangerous professions today. In 2019, 573 people died from farm accidents – or the equivalent of 23.1 deaths per every 100,000 workers. Unfortunately, many farm accidents involve kids, with around 100,000 children under the age of 20 injured each year on the farm. Many accidents happen simply because those involved do not stop and think about being safe.

September was originally selected as Farm Safety Month because of the higher instances of accidents this time of year. That's because it is in the middle of fall harvest, one of the busiest times of year on the farm when all hands are needed. Sometimes that means putting inexperienced drivers behind the wheel of 10-wheeler trucks or strapping the toddler into the buddy seat so their mom can pack trench while others are busy hauling corn silage in from the field. It's important in these instances and every other instance on the farm to keep safety at the forefront.

Having written protocols to remind everyone to stop and think about the safety hazards that exist is also important. These protocols should be written for working with cattle, with equipment, with chemicals, and in other hazardous areas on the farm. Posting things like "Make eye contact with the driver before approaching large equipment" or "Keep all chemicals out of reach from children" may seem simple to you, but those reminders can go a long way in keeping everyone safe. Review your protocols with your employees and family members regularly and make sure people can see them.

If you see someone not following the protocols, remind them they are in place for a reason and encourage them to follow them.

We are just getting started with the harvest season. The latest US Crop Progress report from the week ending September 10 shows that 34 percent of the nation's corn crop is mature, with only about 5 percent harvested. About 82 percent of the corn crop is in the dented stage, which is typically when most farmers will chop corn silage. In Pennsylvania, only about 48 percent was in the dented stage at the beginning of last week due to the late planting season.

About 52 percent of the nation's corn crop is rated good to excellent, with only about 18 percent in the very poor or poor categories. That is consistent with ratings from a year ago. In Pennsylvania, 80 percent of the corn crop is rated in the good or excellent categories, with only 2 percent in the poor category. Considering how dry it was in this region in May and June, the crop conditions and harvest are much better than anyone would have anticipated at the beginning of the year.

The National Education Center for Agricultural Safety has webinars you can watch and farm first aid kits you can purchase to educate your family members and employees about farm safety. You can visit their website at [necasag.org](http://necasag.org). OSHA also has an agricultural safety fact sheet that outlines potential areas to address farm safety. Those can be found at [osha.gov/agricultural-operations](http://osha.gov/agricultural-operations).

Our Center also has several farm safety resources available on our website. The first is a set of farm safety signs that you can use to create awareness around potential danger zones on your farm. You can request these signs at no cost at [centerfordairyexcellence.org/request-farm-safety-signs/](http://centerfordairyexcellence.org/request-farm-safety-signs/). We also have short 60-second videos to remind your employees about farm safety. They can be found at [centerfordairyexcellence.org/farm-safety/](http://centerfordairyexcellence.org/farm-safety/).

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. 20, 2023 AT THE CLOSE

*AVG = Average basis for North-East and Mid-East	SEP-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	MAR-24	APR-24	MAY-24	JUN-24	JUL-24	AUG-24	TREND		
<b>CLASS III MILK FUTURES (\$/CWT) vs. wk ago:</b> <i>Sept23-Apr24 down \$0.10; Oct23-Jan24 down \$0.50-\$1.00; Feb-Aug24 down \$0.05-0.20.</i>	18.28	17.12	17.25	17.71	17.88	18.05	18.05	18.19	18.39	18.45	18.60	18.60	12-Month Avg. 18.05 ↓↓		
<b>CLASS IV MILK FUTURES (\$/CWT) vs. wk ago:</b> <i>Sept-Nov23 up \$0.20-0.35, Dec23-May24 generally steady; Jun-Aug24 fully \$0.29 higher.</i>	18.76	19.21	19.42	19.10	19.05	19.12	19.27	19.32	19.40	19.48	19.50	19.50	12-Month Avg. 19.26 ↑↑		
<b>*MARGIN = Milk Price over Feed Cost per cwt. YELLOW = payment triggered</b>															
<b>CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium</b>	18.25 0.04	17.00 0.22	17.25 0.60	17.75 0.80	18.00 0.93	18.00 0.89	18.00 0.95	18.25 1.05	18.50 1.14	18.50 1.14	18.50 1.06	18.50 1.11			
<b>MILK BASIS (\$/CWT) — 2017-22 PA BASIS AND AVG PA/NY/VT/OH — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)</b>	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			
<b>*AVG</b>	1.15	0.67	0.74	1.38	0.85	1.67	2.55	2.15	1.66	1.45	1.25	1.31			
<b>DMC OFFICIAL GROSS MARGINS per cwt(USDA All-Milk, com, alfalfa &amp; Ill. soybean, feed for ALL CLASSES of dairy cattle on farm) Updated with NEW prem. alfalfa feed cost</b>															
<b>DMC MAY-22 JUN-22 JUL-22 AUG-22 SEP-22 OCT-22 NOV-22 DEC-22 JAN-23 FEB-23 MAR-23 APR-23 MAY-23 JUN-23 *JUL-23</b>	12.51	11.92	9.92	8.08	8.62	10.71	10.89	9.76	7.94	6.19	6.08	5.84	4.83	3.65	*3.52 ↓↓

U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report	MAY-22	JUN-22	JUL-22	AUG-22	SEP-22	OCT-22	NOV-22	DEC-22	JAN-23	FEB-23	MAR-23	APR-23	MAY-23	JUN-23	JUL-23	*AUG-23
322.00	321.17	312.50	308.17	290.70	300.10	289.50	296.50	266.60	297.25	277.00	290.00	292.86	244.27	254.92	254.92	*243.50 ↓↓
<b>U.S. AVG. BRED COWS &amp; HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1278	1184	1350	1407	1265	1310	1290	1300	1250	1352	1342	1330	1400	1559	1502	*1540 ↑↑
<b>U.S. AVG. FRESH COWS per head as reported by USDA Monthly National Dairy Comprehensive Report</b>	1496	1341	1571	1417	1384	1701	1526	1531	1436	1487	1493	1544	1469	1792	1615	*1634 ↑↑

CORN FUTURES (\$/BU)	DEC-23	MAR-24	MAY-24	JUL-24	SEP-24	DEC-24	MAR-25	MAY-25	JUL-25	SEP-25	DEC-25	JUL-26	TREND
4.822	4.966	5.054	5.100	5.080	5.112	5.212	5.262	5.262	5.262	4.936	4.912	5.070	↑↑
WEEK AGO													
4.822	4.962	5.044	5.084	5.056	5.110	5.202	5.252	5.254	5.254	4.940	4.910	5.065	

SOYMEAL FUTURES (\$/TON)	OCT-23	DEC-23	JAN-24	MAR-24	MAY-24	JUL-24	AUG-24	SEP-24	OCT-24	DEC-24	JAN-25	MAR-25	TREND
397.2	395.1	391.6	385.4	381.6	381.4	379.2	376.0	371.6	371.7	369.9	365.4	365.4	Mixed
WEEK AGO													
395.9	394.8	392.2	387.0	382.5	380.4	376.8	371.4	371.0	369.0	365.3			

*NEW PA MILK MARGIN & IOFC-LATEST PSU VALUES - *JUNE 2023	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)	CME DAIRY CASH-SETTLED FUTURES (\$/LB)	SEP	OCT	NOV	DEC	JAN24	FEB24	MAR24	09/20/23	SPOT CASH	TREND
<b>*JUN (estimated)</b>	<b>*9.36 ↓↓</b>	<b>*7.45 ↓↓</b>	<b>*14.48 ↓↓</b>	NFDM	1.119	1.130	1.160	1.187	1.207	1.227	1.245	1.245	↑↑	1.1275 ↑↑
<b>PREV MO</b>	9.65	8.21	15.45	WHEY	0.286	0.300	0.320	0.327	0.356	0.380	0.380	0.380	↓↓	0.2875 ↓↓
<b>YR AYO</b>	9.07	13.98	20.78	BUTTER	2.705	2.800	2.750	2.645	2.585	2.570	2.570	2.570	Mixed	2.8400 ↓↓
<i>Covers ONLY lactating feed, based on 75 lb herd avg, Buff., NY soy price</i>				CHEESE	1.938	1.798	1.802	1.860	1.870	1.8802	1.876	1.876	↓↓	See Below
				<b>CME SPOT CHEESE: BARRELS 1.6100 / 40 LB BLOCKS 1.8000</b>									↓↓ / ↓↓	

*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)	*CL I ADV↑↑	CL II↑↑	CL III↑↑	CL IV↑↑	ALL-MILK-U.S.	ALL-MILK-PA	WEIGHTED AVG. 4-WK AUG 1-26, 2023	AUGUST 2023 COMPONENTS
<b>*19.47 (OCT)</b>	<b>19.91 (AUG)</b>	<b>17.19 (AUG)</b>	<b>18.91 (AUG)</b>	<b>17.40 (JUL)</b>	<b>18.70 (JUL) ↓↓</b>		<b>PRODUCT VALUE MAKEALLOW NET</b>	
				3.98F	3.92F		CHEESE 1.8349 0.2003 1.6346 ↑↑	
							PROT 2.0851 ↑↑	
							BUTTER 2.6668 0.1715 2.4953 ↑↑	
							B.FAT 3.0218 ↑↑	
							NFDM 1.1374 0.1678 0.9696 ↓↓	
							N.FAT 0.9599 ↓↓	
							DRYWHEY 0.2620 0.1991 0.0629 ↓↓	
							OTHER 0.0648 ↓↓	

CATTLE - DAIRY PURPOSES (\$/HD) (Avg Sept 20, 2023 New Holland PA) Supply down 46% below year ago; limited supply of fresh, springing and milking animals selling \$400 higher than last week, bred heifers \$100 higher, open heifers \$100 lower.	COWS: Fresh	Bred	Springing	*HEIFERS: Bred	Springing	Beef x	Open:	300-600 lbs	Beef X	600-900 lbs	Beef X	900-1100 lbs	BULLS (800-1300 lbs)
<b>NO USDA REPORT</b>	2100	N/A	1875	CPL	1650	1950	900	1000	1300	N/A			

PA Auction Markets Sept 14-19, 2023	FED HOLSTEIN STEERS (\$/CWT LIVELINEWEIGHT)	CURRENT	Beef X	WEEK AGO	YR AYO
<b>CULL MARKET COWS (\$/CWT LIVELINEWEIGHT)</b>	Choice & Prime 1250-1550 lbs light test	132.75		130.75	118.35
<b>Premium White Breakers Boners Lean</b>	BULL CALVES: No. 1 & 2, 90-130 lbs	350.00	675.00	300.00	600.00
	70-85 lbs	325.00	770.00	315.00	625.00

brought to you by:

Price averages do not include lower-end common

PA Auction Markets Sept 14-19, 2023	WEEK AGO	YEAR AGO
N/A	112.75	102.85
N/A	85.85	80.50

PA Auction Markets Sept 14-19, 2023	WEEK AGO	YEAR AGO
106.75 ↓↓	100.60 ↓↓	90.60 ↓↓