

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — SEPT. 22, 2021 — except where noted



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**Center Grant Programs:** The Vision of the Center for Dairy Excellence is to "Serve as a catalyst for a vibrant Pennsylvania Dairy Industry," while the Mission is to "Empower and support Pennsylvania dairy families and businesses to thrive." To help meet our Vision and Mission, the Center for Dairy Excellence opens its grant programs each fall to dairy farmers across the state. This year we have five different grants to help Pennsylvania dairy farmers address needs they may have within the scope of the grant.

The first three grants are for different types of teams. Grants available include Dairy Profit Teams, Dairy Transition Teams, and Dairy Transformation Teams. The Dairy Profit Teams work with producers in an advisory role to address bottlenecks or other issues limiting profitability. The Profit Team recipients are reimbursed up to \$1,500 for paid team members, discovery-related costs, and lawyer fees. Profits teams generally consist of the farm's most trusted advisors, with a facilitator that coordinates the meetings and workflow. The second grant within the Team Grant program is for Dairy Transition Teams. This grant is designed to help farms establish a team to develop a transition or succession plan. This grant can reimburse recipients up to \$3,500 for paid team members, discovery-related costs, and lawyer fees. The third Team Grant is for Dairy Transformation Teams. This option allows producers considering a major business transformation to apply to receive up to \$3,500 to establish a team to help navigate and plan the desired transformation. Please note that manure storage facility improvements do not qualify as eligible projects as there are state and federal programs that can better help you accomplish these projects.

The fourth grant the Center offers is the Dairy Decisions Consultant Grants. This program is intended to provide dairy farm

families with professional consulting resources to help make decisions that will shape the future of their farm. Historically, this grant has paid for a financial consultant to help analyze your finances and help you identify areas within your business that could improve your cashflow or bottom line. This grant program was expanded this year to cover five key areas in addition to financial. The five new areas include: employee management and communication, business planning and structure, product marketing and labeling, direct marketing, and animal welfare. Recipients can receive up to \$3,500 in funds to work with a Dairy Decision Consultant. The application process for the above grants is open now and will remain open until the funds are exhausted.

The last grant available to dairy farmers is the Dairy Excellence Grant, and it is a competitive program. The grant is designed to help you make improvements to cow comfort, milk production per cow, or efficiency of your dairy. This grant offers a 50% match up to a maximum match of \$5,000 to approved applicants. You can apply online at [www.centerfordairyexcellence.org/dairy-excellence-grants](http://www.centerfordairyexcellence.org/dairy-excellence-grants). The application period is open now and will close on October 15, 2021. Since this is a competitive grant, you are asked to fill out and answer all questions completely as your application will be scored individually by each member of the selection committee. The highest scoring applications will be awarded the grants. If you have questions about any of the grants or would like to request an application be mailed to you, please contact Melissa Anderson at 717-636-0779 or [manderson@centerfordairyexcellence.org](mailto:manderson@centerfordairyexcellence.org).

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. 22, 2021 AT THE CLOSE

	SEP-21	OCT-21	NOV-21	DEC-21	JAN-22	FEB-22	MAR-22	APR-22	MAY-22	JUN-22	JUL-22	AUG-22	TREND				
<b>CLASS III MILK FUTURES (\$/CWT)</b> vs. wk ago: Variably steady to 10 cents higher, spots 20 cents lower, instances 20 cents higher;	16.60	17.35	16.98	17.19	17.35	17.40	17.52	17.54	17.70	17.70	17.72	17.85	12-Month Avg. 17.41↑				
<b>CLASS IV MILK FUTURES (\$/CWT)</b> Variably steady to 10 cents lower or 10 cents higher	16.40	16.86	17.07	17.11	17.09	17.09	17.30	17.38	17.46	17.40	17.48	17.51	12-Month Avg. 17.18↑				
HIGHEST & LOWEST DAILY SETTLE PRICE FOR CL. III OVER LIFE OF CONTRACT & MONTH / YEAR IT OCCURRED																	
	20.04 05/21	19.97 05/21	19.66 05/21	19.29 05/21	18.95 05/21	18.42 04/21	18.21 05/21	18.16 05/21	18.21 05/21	18.19 05/21	18.25 05/21	17.95 05/21					
	14.50 03/20	14.50 03/20	14.21 03/20	14.19 03/20	14.50 03/20	14.25 03/20	14.70 03/20	14.85 03/20	14.75 03/20	14.71 03/20	14.62 03/20	14.69 03/20					
<b>MILK BASIS (\$/CWT) — PA BASIS &amp; 2016-19 AVG OF PA/NY/VT/OH</b> — YOUR INDIVIDUAL BASIS WILL VARY (MAILBOX - CLASS 3)	PA 0.79	0.60	0.79	1.17	0.62	1.53	2.29	1.82	1.58	0.99	1.03	0.95					
<b>*AVG</b>	0.67	0.74	1.38	0.85	1.67	2.55	2.15	1.66	1.45	1.25	1.31	1.15					
<b>DMC OFFICIAL GROSS MARGINS</b> per cwt. (USDA All-Milk, com/alfalfa hay & Illinois soybean prices, feed for all classes of dairy cattle on the farm)	MAY-20	JUNE-20	JULY-20	AUG-20	SEP-20	OCT-20	NOV-20	DEC-20	JAN-21	FEB-21	MAR-21	APR-21	MAY-21	JUN-21	*JUL-21		
<b>DMC</b>	5.37	9.99	12.41	10.83	9.40	11.13	11.87	8.78	7.14	6.22	6.46	6.94	6.89	6.24	*5.68	↓	
<b>U.S. AVG MILK MARGIN</b> 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)	APR-20	MAY-20	JUN-20	JUL-20	AUG-20	SEP-20	OCT-20	NOV-20	DEC-20	JAN-21	FEB-21	MAR-21	APR-21	MAY-21	JUN-21	*JUL-21	
	8.77	8.06	12.59	15.04	13.43	12.33	14.44	15.47	12.51	11.25	10.51	10.66	11.31	*11.53	*10.77	*10.09	↓
<b>PA AVG MILK MARGIN</b> 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)	8.27	6.79	9.44	12.67	11.10	10.91	11.31	12.36	10.53	8.56	8.15	9.24	9.37	9.76	*10.20	*9.79	↓

CLASS III MILK (\$/CWT) OPTIONS — PUTS — Daily Strike Price / Premium																							
16.50	0.01	17.25	0.29	17.00	0.65	17.25	0.83	17.25	0.83	17.25	0.81	17.50	0.93	17.50	0.97	17.75	1.04	17.75	1.07	17.75	1.09	17.75	1.08
DEC-21			MAR-22			JUL-22			Example Daily Strike Price / Premium			OCT-21			DEC-21			MAR-22					
CORN (\$/BU) OPTIONS — CALLS																							
5.20	30.40	5.40	33.20	5.60	37.00																		
6.50	02.70	7.50	02.50	7.70	04.70																		

CORN FUTURES (\$/BU)													
5.254	5.330	5.374	5.364	5.062	5.010	5.080	5.112	5.126	4.784	4.772	4.394		↓
WEEK AGO													
5.334	5.406	5.446	5.434	5.124	5.074	5.146	5.174	5.186	4.822	4.720	4.810		
SOYMEAL FUTURES (\$/TON)													
337.9	341.8	344.5	347.2	350.5	353.8	353.2	350.9	345.8	346.0	345.4	341.7		↑
WEEK AGO													
335.9	339.6	342.0	344.9	348.4	352.3	352.2	350.2	344.8	345.0	344.9	341.6		

PA MILK MARGIN & IOFC—LATEST PSU VALUES — *JULY 2021				CME DAIRY CASH-SETTLED FUTURES (\$/LB) 09/22/21										SPOT CASH TEND			
FEED = \$/CWT	FEED COST (\$/CWT milk)	IOFC (\$/COW @ 75 lbs milk)	PA MILK MARGIN (\$/CWT milk)	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	09/22/21	09/22/21
*JUL (estimated)	9.23↑	7.34↓	9.79↓	1.279	1.337	1.363	1.369	1.367	1.363	1.367	1.367	1.367	1.367	1.367	1.367	↑	1.3600 ↑
IOFC = *PREV MO	8.90	7.65	*10.20	0.533	0.535	0.510	0.500	0.500	0.494	0.480	0.480	0.480	0.480	0.480	0.480	↑	0.5650 ↑
YR AGO	6.63	9.48	12.67	1.790	1.782	1.780	1.790	1.780	1.780	1.840	1.840	1.840	1.840	1.840	1.840	↑	1.7225 ↓
				1.649	1.729	1.705	1.733	1.750	1.763	1.777	1.777	1.777	1.777	1.777	1.777	Mixed	See Below
				CME SPOT CHEESE: BARRELS 1.5800 / 40 LB BLOCKS 1.7250 ↑ / ↓													

*USDA MAY-21 NEW* ALL-MILK BF MAILBOX														*NEW ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)				CURRENT FEDERAL ORDER VALUES (\$/LB) *NEW								
FL	21.50	3.55	\$20.49	CL I ADV	↑	CL II	↓	CL III	↓	CL IV	↓	ALL-MILK-U.S.	17.90	(JUN) ↓	18.50	(JUN) ↓	WEIGHTED AVG. 4-WK	AUG. 1-26, 2021	AUG. 2021							
MN	20.20	4.17	\$19.59	*17.08	(OCT)	16.51	(AUG)	15.95	(AUG)	15.92	(AUG)	3.84F	17.90	(JUN) ↓	18.50	(JUN) ↓	PRODUCT	VALUE	MAKE ALLOW	NET	COMPONENTS					
WI	19.70	3.98	\$19.32	16.90		16.83		16.49		16.00		3.81F	17.90		18.40		CHEESE	1.5680	0.2003	1.3977	↓	PROT	2.4582	↓		
NE	19.70	3.99	\$18.93	16.90		16.83		16.49		16.00			17.90		18.40		BUTTER	1.6998	0.1715	1.5283	↓	B.FAT	1.8508	↓		
IA	20.00	4.11	\$18.83	15.20		15.27		19.77		12.53			17.90		18.40		NFDM	1.2660	0.1678	1.0982	↑	N.FAT	1.0872	↑		
SE	20.40	3.64	\$18.60	15.20		15.27		19.77		12.53			17.90		18.40		DRYWHEY	0.5617	0.1991	0.3626	↓	OTHER	0.3735	↓		
APP	22.00	3.80	\$18.02	15.20		15.27		19.77		12.53			17.90		18.40											
OH	19.50	3.86	\$18.49	15.20		15.27		19.77		12.53			17.90		18.40											
IL	18.50	3.92	\$18.38	15.20		15.27		19.77		12.53			17.90		18.40											
WAOR	20.50	3.97	\$18.26	15.20		15.27		19.77		12.53			17.90		18.40											
IN	19.10	3.92	\$18.24	15.20		15.27		19.77		12.53			17.90		18.40											
PA	19.10	3.92	\$18.24	15.20		15.27		19.77		12.53			17.90		18.40											
NY	19.00	3.94	\$18.22	15.20		15.27		19.77		12.53			17.90		18.40											
U.S.	19.20	3.93	\$18.02	15.20		15.27		19.77		12.53			17.90		18.40											
CA	19.30	3.84	\$17.99	15.20		15.27		19.77		12.53			17.90		18.40											
PA	19.30	3.92	\$17.91	15.20		15.27		19.77		12.53			17.90		18.40											
MI	18.10	3.84	\$17.21	15.20		15.27		19.77		12.53			17.90		18.40											
MO	N/A	N/A	\$17.19	15.20		15.27		19.77		12.53			17.90		18.40											
TX	18.60	4.15	\$17.18	15.20		15.27		19.77		12.53			17.90		18.40											
NE	17.80	4.01	\$16.84	15.20		15.27		19.77		12.53			17.90		18.40											
NM	16.90	3.73	\$16.13	15.20		15.27		19.77		12.53			17.90		18.40											

CATTLE - DAIRY PURPOSES (\$/HD) NORTHEAST (Avg. SEP. 8, 2021 sale New Holland, PA)													
COWS: Fresh Bred Springing HEIFERS: Bred Beef x Springing Open: 300-600 lbs Beef X 600-900 lbs 900-1000 lbs BULLS (1100-1300 lb)													
	975	750	1025	800	N/A	925	425	N/A	675	850	1125		
MONTH AGO COMPARISON													
	1050	1015	930	875	N/A	960	340	N/A	600	910	1150		
Avg. of prices reported by USDA Market News for PA Auction Markets Sep. 9-14, 2021													
CATTLE MARKET COWS (\$/CWT LIVEWEIGHT)													
Premium White	Breakers	Boners	Lean										
N/A	73.05↑	66.75↑	54.85↓										
WEEK AGO													
N/A	71.60	65.00	55.50										
YEAR AGO													
	62.00	61.35	52.50										

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