



## Vermont Dairy Update August 2023

### Upcoming Events and Resources

This newsletter marks the sixth month of bringing you the Vermont Dairy Update in its new form. I wanted to take this opportunity to highlight how UVM Extension has collaborated with the [New England Dairy Business Innovation Center](#) to bring Dairy Herd Management Technical Assistance directly to Vermont's dairy farmers. In addition to producing this monthly newsletter, our Dairy Herd Management Team is available to provide technical assistance to cow, goat, and sheep farms throughout the state on various areas, such as cow comfort, milk quality, records analysis, among many other topics. Please check out our [new website](#) for more details and to contact our team.

I'd also like to highlight an event coming up this week. UVM Extension will be hosting a milk quality workshop at the UVM Miller Farm on August 8. More details can be found [here](#).

As our state continues to navigate the effects of flooding, I encourage you to visit the resources from [VAAF](#) along with [this helpful timeline](#) regarding Federal Flood Recovery Programs.

Please feel free to send a note with comments on the monthly VT Dairy Update or ideas for future issues to Whitney Hull, Extension Outreach Professional at [whitney.hull@uvm.edu](mailto:whitney.hull@uvm.edu).

### Organic Grain Update

The price of Organic Corn in VT is currently averaging \$10/bu.

The price of Organic Soybeans in VT is currently averaging between \$21-23/bu. (variance due to locale, who is pricing it, etc.).

Imported Organic Soybean meal has been coming into our country for some time, and lately there has been an increase in imported soybeans at a relatively lower price, which has depressed the price of Organic Soybeans in general. Add to that, a lot of end users got burned in 2022 with the volatile pricing of Organic Soybeans and are now hesitant to buy any more than they absolutely need. This has led to less buying which has led to downward pressure on pricing.

Organic Corn has been trading lower as well. We have seen the end users demand slip a bit in recent months. It is difficult to say what has driven demand down, but it could be due to inflation or a softening demand for organic. With an ample supply of Organic Corn in the Midwest, this has also contributed to downward pressure on pricing. But with the crazy weather we are all experiencing, we shall see what the Fall crops look like, and that will likely dictate how things unfold as we go further.

## Northeast Production Trends and Price Forecast

July 25, 2023

	COMPONENT PRICES PER POUND			BOSTON PPD/cwt.	BOSTON BLEND PRICE @3.5 bf	Class Price				Class III Futures	Class IV Futures	DMC Margin <sup>1</sup>
	BUTTER		OTHER			I	II	III	IV			
	FAT	PROTEIN	SOLIDS									
JUL-23	\$2.82	\$1.19	\$0.07	\$4.36	\$18.20	\$20.57	\$19.14	\$13.83	\$18.40	\$13.81	\$18.28	\$5.09
AUG-23	\$2.89	\$2.11	\$0.08	\$2.46	\$19.37	\$19.87	\$19.40	\$16.91	\$18.74	\$16.71	\$18.53	\$6.11
SEP-23	\$2.89	\$2.30	\$0.09	\$2.09	\$19.63	\$22.32	\$19.44	\$17.54	\$18.65	\$17.67	\$18.48	\$6.65
OCT_23	\$2.92	\$2.47	\$0.10	\$1.80	\$19.98	\$22.66	\$19.70	\$18.19	\$18.91	\$18.22	\$18.55	\$7.12

Source: Agri-Mark Weekly Update [https://agrimark.coop/PDFs/AM\\_Weekly\\_Updates.pdf](https://agrimark.coop/PDFs/AM_Weekly_Updates.pdf)

### Milk Cows and Production - Northeastern States and 24 Selected States: During June 2022 and 2023

[May not add due to rounding]

State	Milk cows <sup>1</sup>		Milk per cow <sup>2</sup>		Milk production <sup>2</sup>		
	2022	2023	2022	2023	2022	2023	Change from 2022
	<i>(1,000 head)</i>	<i>(1,000 head)</i>	<i>(pounds)</i>	<i>(pounds)</i>	<i>(million pounds)</i>	<i>(million pounds)</i>	<i>(percent)</i>
New York .....	623	630	2,105	2,150	1,311	1,355	3.4
Pennsylvania .....	467	466	1,785	1,770	834	825	-1.1
Vermont .....	117	117	1,810	1,805	212	211	-0.5
24-State Total .....	8,915	8,929	2,027	2,028	18,074	18,111	0.2

<sup>1</sup> Includes dry cows. Excludes heifers not yet fresh.

<sup>2</sup> Excludes milk sucked by calves.

### Prices Received for All Milk - Northeastern States and United States: May 2023 with Comparisons

[Before deduction for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies]

State	May 2022		April 2023		May 2023	
	Price	Fat test	Price	Fat test	Price	Fat test
	<i>(dollars per cwt)</i>	<i>(percent)</i>	<i>(dollars per cwt)</i>	<i>(percent)</i>	<i>(dollars per cwt)</i>	<i>(percent)</i>
New York .....	27.10	3.97	21.10	4.12	20.30	4.05
Pennsylvania .....	27.30	3.92	21.10	4.07	20.60	4.02
Vermont .....	27.70	4.01	21.70	4.17	21.00	4.10
United States .....	27.20	4.00	20.70	4.12	19.30	4.06

Milk production in **Vermont** during June 2023 totaled 211 million pounds, down 0.5 percent from June 2022. The average milk price received by Vermont farmers in May 2023, at \$21.00 per hundredweight, is down \$0.70 from April 2023 and down \$6.70 from May a year ago.

Source: NASS Monthly Milk Production Report-Northeastern Region

## National Dairy Outlook

After record high prices in 2022, milk prices continue to fall, reaching prices not seen since 2020-2021. Milk prices are now well below profitable levels for dairy producers. Much lower cheese and dry whey prices have lowered the Class III price. The price of 40-pound cheddar cheese was in the \$1.30 to \$1.40 range per pound in June with some improvement in July to the high \$1.40's. In July of 2022, 40-pound blocks were ranging from \$1.94 to \$2.11 per pound. Dry whey started the year at \$0.415 per pound and increased to \$0.4675 per pound in March but is currently \$0.25 per pound. In July of 2022 dry whey ranged from \$0.445 to \$0.50 per pound.

The July Class III price should be the bottom for the year with the price trending upward for the remainder of the year. Milk cow numbers fell by 16,000 from May to June. June cow numbers were down by 5,000 from a year ago. There was no increase in milk per cow. As a result, June milk production was unchanged from a year ago.

Milk production is likely to run below 2022 production levels for the remainder of the year. With the existing widespread drought in the Midwest, this year's final crop production is uncertain. The drought has already reduced alfalfa hay production. Higher feed prices and lower milk prices will make margins tight for dairy producers. Dairy producers are likely to reduce cow numbers in response.

Milk prices will trend higher for the remainder of the year. Milk production will be in its seasonal low August through September. As schools open at the end of August and early September, that should increase beverage milk sales. By October, butter and cheese stocks will begin to build to meet the higher season sales of cheese and butter Thanksgiving through Christmas. Class III futures show a continued improvement what the Class III price in the \$15's by August, the \$16's by September and the \$17's for the remainder of the year. However, the latest USDA forecast is not quite as optimistic, with USDA showing Class III prices averaging \$14.30 for the third quarter and \$15.05 for the fourth quarter. USDA forecasts the Class III price to average \$16.05 for the year, compared to \$21.96 last year. With the sensitivity to small changes in milk supply and demand, the probability is high for third and fourth quarter prices to be higher than USDA's current forecast. But whether that plays out, only time will tell.

Source: Bob Cropp Dairy Situation and Outlook, University of Wisconsin Cooperative Extension

### Vermont Dairy Cow Operations by County – 2023

County	Jan.	Feb	March	April	May	June	July	% change prior month
Addison	75	75	75	75	75	74	75	1.01%
Bennington	7	7	7	7	7	8	8	0.00%
Caledonia	46	45	44	44	43	43	43	0.00%
Chittenden	27	25	24	24	24	23	23	0.00%
Essex	9	9	9	8	8	9	9	0.00%
Franklin	102	102	102	102	100	100	100	0.00%
Grand Isle	8	8	8	8	8	8	8	0.00%
Lamoille	23	23	22	22	22	22	21	-4.55%
Orange	49	48	47	47	47	47	47	0.00%
Orleans	82	82	82	82	79	79	80	1.01%
Rutland	35	35	34	34	34	33	33	0.00%
Washington	18	18	18	18	17	17	17	0.00%
Windham	19	18	18	18	18	18	18	0.00%
Windsor	19	19	19	19	19	19	19	0.00%
<b>TOTAL</b>	519	514	509	508	501	500	501	0.20%
<b>ORGANIC</b>	133	128	127	127	126	125	125	0.00%

**Ave. # dairy farms-2020 – 636, 2021 -583 & 2022 – 549**

### Dairy Cow Farms by Size – Milking cows

	LFO – over 700	MFO – 200 – 699	SFO –under 200	Total
2020	35	100	198 CSFO – 501	636
2021	35	95	216 CSFO - 453	583
2022	35	91	215 CSFO – 424	549

CSFO as of January 31, 2018. Certified Small Farms have 50 - milking cows to 199 cows.

## Vermont Dairy Data-10 year Summary

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Q1	2023 Q2
<b>Ave. Milk Price</b>	\$19.60	\$23.63	\$16.49	\$15.25	\$16.78	\$15.44	\$17.46	\$16.45	\$17.23	\$24.49	\$20.84	\$19.28
<b>Class III price</b>	\$17.99	\$22.34	\$15.80	\$14.87	\$15.92	\$14.61	\$16.96	\$18.16	\$17.08	\$22.03	\$18.44	\$16.51
<b>DMC Margin-FSA</b>	\$0.258	\$0.00	MPP/M CP Margin level	\$8.01	\$9.68	\$7.53	\$9.60	\$9.65	\$6.92	\$10.80	\$6.74	\$4.77
<b># of VT Cow Dairy Farms</b>	939	880	853	838	796	725	677	636	583	550	514	503
<b>Milk Production USDA</b>	2.625 b lbs.	2.672 b lbs.	2.666 b lbs.	2.724 b lbs.	2.728 b lbs.	2.680 b lbs.	2.695 b lbs.	2.602 b lbs.	2.566 b lbs.	2.553 b lbs.	633 mil. lbs.	649 mil. lbs.
<b>Ave. # of cows in VT USDA</b>	133,000	132,000	132,000	130,000	128,667	126,833	125,583	122,167	119,667	117,667	118,000	118,000
<b>Ave. # of cows/ farm</b>	142	150	155	155	162	175	185	192	205	216	230	235
<b>Certified Organic Cow Dairy Farms</b>	198	184	184	203	199	190	187	169	162	154	129	125
<b>Off-Farm Dairy Processors</b>	36	58	64	78	79	83	88	87	88	88	88	
<b>On-Farm Dairy Processors</b>	59	62	71	67	68	63	66	67	70	70	70	
<b>Total Dairy Processors</b>	95	120	135	145	147	146	154	154	158	158	158	