



Vermont Dairy Update October 2023

Upcoming Events and Resources

I hope you have all been able to enjoy the fall weather and have a successful harvest season despite the many weather challenges we have experienced this growing season.

I'd like to highlight a couple of events that UVM Extension will be offering this fall. The first event is a Bedded Pack workshop that will feature Dr. Marcia Endres from the University of Minnesota on October 25 and 26. More information and registration details can be found at <https://go.uvm.edu/beddedpackbarns>.

The second event will be a Grain Growers Workshop on November 8 with UVM Extension's Ag Business and Northwest Crops and Soils Team. More information and registration details can be found at <https://go.uvm.edu/graingrowersworkshop>.

If you'd like additional information regarding these events or have suggestions for future UVM Extension events, please reach out directly to me at whitney.hull@uvm.edu. You can stay up to date on all our events, as well as find past issues of our Dairy Update at our [website](#).

Dairy News

Sharing a couple of relevant dairy articles to further highlight the national dairy pricing trends and outlooks.

[Economic update: Class I milk base price, culling rates hit five-month highs.](#)

[August 2023 DMC margin rises to \\$6.46.](#)

Organic Grain Update

The price of Organic Corn in the middle of VT currently is approximately \$9.50-\$10/bushel, depending on location. The price of Organic Soybeans in the middle of VT currently is approximately \$22/bushel, depending on location.

Imported Organic Soybean meal continues to enter the United States at price levels that are seemingly low. This has continued to create downward pressure on the price of Organic Soybeans in general. End users are hesitant to purchase large volumes leading to a stagnation in price over the past few months. It remains to be seen how end user purchasing trends will affect the domestic crop.

Organic Corn has traded lower as well. In the post-Covid era, end users have been hesitant to buy large volumes. Harvest will be quickly upon us and predictions indicate the crop will be average, which should keep the price stable for the time being. Once again the market stagnates and time will tell whether farmers will hold on to their crops until the price increases, or if end users will continue their decreased buying pattern and force farmers to sell at lower levels.

Northeast Production Trends and Price Forecast

September 24, 2023

	COMPONENT PRICES PER POUND			BOSTON PPD/cwt.	BOSTON BLEND PRICE @3.5 bf	Class Price				Class III Futures	Class IV Futures	DMC Margin ¹
	BUTTER		OTHER			I	II	III	IV			
	FAT	PROTEIN	SOLIDS									
SEP-23	\$3.15	\$2.16	\$0.09	\$2.04	\$20.06	\$22.15	\$19.99	\$18.02	\$19.29	\$18.41	\$18.84	\$8.02
OCT_23	\$3.33	\$1.55	\$0.10	\$3.19	\$20.08	\$22.72	\$20.68	\$16.89	\$19.93	\$17.16	\$20.20	\$8.30
NOV_23	\$3.27	\$1.65	\$0.13	\$3.01	\$20.15	\$22.51	\$20.63	\$17.14	\$19.81	\$17.34	\$20.19	\$8.44
DEC_23	\$3.09	\$2.03	\$0.15	\$2.50	\$20.21	\$22.62	\$20.25	\$17.71	\$19.42	\$17.85	\$19.62	\$8.45

Source: Agri-Mark Weekly Update https://agrimark.coop/PDFs/AM_Weekly_Updates.pdf

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

[May not add due to rounding]

State	Milk cows ¹		Milk per cow ²		Milk production ²		
	2022	2023	2022	2023	2022	2023	Change from 2022
	(1,000 head)	(1,000 head)	(pounds)	(pounds)	(million pounds)	(million pounds)	(percent)
New York	624	630	2,130	2,190	1,329	1,380	3.8
Pennsylvania	468	466	1,755	1,770	821	825	0.5
Vermont	117	117	1,830	1,845	214	216	0.9
24-State Total	8,927	8,912	2,040	2,038	18,212	18,166	-0.3

¹ Includes dry cows. Excludes heifers not yet fresh.

² Excludes milk sucked by calves.

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

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

State	July 2022		June 2023		July 2023	
	Price	Fat test	Price	Fat test	Price	Fat test
	(dollars per cwt)	(percent)	(dollars per cwt)	(percent)	(dollars per cwt)	(percent)
New York	26.70	3.89	19.00	4.00	18.80	3.94
Pennsylvania	26.80	3.85	19.30	4.00	18.70	3.92
Vermont	27.20	3.96	19.80	4.04	19.20	3.97
United States	25.50	3.91	17.90	4.01	17.40	3.98

Milk production in **Vermont** during August 2023 totaled 216 million pounds, up 0.9 percent from August 2022. The average milk price received by Vermont farmers in July 2023, at \$19.20 per hundredweight, is \$0.60 lower than June 2023 and \$8.00 lower than July a year ago.

Source: NASS Monthly Milk Production Report-Northeastern Region

National Dairy Outlook

Milk prices continue to show signs of improvement. Class III price was \$17.19 in August and predictions show \$18.35 for September. Much higher cheese prices helped push Class III higher, due to an increase in domestic demand. The main driver of higher cheese and milk prices has been lower milk production. Milk production fell below year ago levels by 0.7% in July and 0.2% in August. Cow numbers have declined by 54,000 since March. Low milk prices and favorable cull prices have encouraged increased culling of cows from the herd.

A decrease in milk production has led to a subsequent decrease in cheese production. Cheese production in July was 2.6% lower than July of 2022. Cheese stocks have also dwindled. Compared to 2022, stock of American cheese was 3% lower and total cheese stocks had decreased by 2%.

Futures for Class III for the remainder of the year show an average of \$18.05. Milk production is not likely to increase compared to last year. With expected feed and milk prices, income over feed cost will remain at unfavorable levels. Cow numbers will continue to decline. The good news is that butter and cheese sales remain higher than a year ago. However, dairy exports are expected to remain below last year's record levels.

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	August	September	% change prior month
Addison	75	75	75	75	75	74	75	75	77	2.67%
Bennington	7	7	7	7	7	8	8	8	8	0.00%
Caledonia	46	45	44	44	43	43	43	42	42	0.00%
Chittenden	27	25	24	24	24	23	23	24	24	0.00%
Essex	9	9	9	8	8	9	9	9	9	0.00%
Franklin	102	102	102	102	100	100	100	98	98	0.00%
Grand Isle	8	8	8	8	8	8	8	8	8	0.00%
Lamoille	23	23	22	22	22	22	21	21	21	0.00%
Orange	49	48	47	47	47	47	47	47	45	-4.25%
Orleans	82	82	82	82	79	79	80	81	79	-2.47%
Rutland	35	35	34	34	34	33	33	33	33	0.00%
Washington	18	18	18	18	17	17	17	17	19	11.76%
Windham	19	18	18	18	18	18	18	18	18	0.00%
Windsor	19	19	19	19	19	19	19	20	20	0.00%
TOTAL	519	514	509	508	501	500	501	501	501	0.0%
ORGANIC	133	128	127	127	126	125	125	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
Ave. Milk Price	\$19.60	\$23.63	\$16.49	\$15.25	\$16.78	\$15.44	\$17.46	\$16.45	\$17.23	\$24.49	\$20.84	\$19.28
Class III price	\$17.99	\$22.34	\$15.80	\$14.87	\$15.92	\$14.61	\$16.96	\$18.16	\$17.08	\$22.03	\$18.44	\$16.51
DMC Margin-FSA	\$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
# of VT Cow Dairy Farms	939	880	853	838	796	725	677	636	583	550	514	503
Milk Production USDA	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.
Ave. # of cows in VT USDA	133,000	132,000	132,000	130,000	128,667	126,833	125,583	122,167	119,667	117,667	118,000	118,000
Ave. # of cows/ farm	142	150	155	155	162	175	185	192	205	216	230	235
Certified Organic Cow Dairy Farms	198	184	184	203	199	190	187	169	162	154	129	125
Off-Farm Dairy Processors	36	58	64	78	79	83	88	87	88	88	88	
On-Farm Dairy Processors	59	62	71	67	68	63	66	67	70	70	70	
Total Dairy Processors	95	120	135	145	147	146	154	154	158	158	158	