



Vermont Dairy Update September 2023

Upcoming Events and Resources

I hope you're all navigating the unpredictable weather this summer, and able to make hay when the sun does manage to shine. In light of the challenging weather and predicted feed inventory shortages, the Vermont Agency of Ag has released a [Feed Finder Marketplace](#) where those selling hay, alfalfa, corn, soy, silage, and haylage can easily advertise their feed on the directory. For farmers looking for feed, the directory provides an easy platform through which they can quickly view availability, location, and pricing for a variety of feed.

I'd like to highlight an upcoming UVM Extension webinar on September 21, focused on low overhead grazing options for larger dairies. You can find more details and register at <https://go.uvm.edu/lowohdairy>. Please reach out to Kelsie Meehan at kelsie.meehan@uvm.edu with questions.

Grain Update

USDA's National Agricultural Statistics Service (NASS) published its first survey-based forecast of the 2023/24 U.S. soybean yield this month. At 50.9 bushels per acre, the current soybean yield forecast is down 1.1 bushels per acre from last month's trend-based yield of 52.0 bushels per acre. The U.S. harvested acreage forecast is unchanged this month at 82.7 million acres. Consequently, the soybean production forecast for marketing year (MY) 2023/24 is reduced by 95.0 million bushels to 4.2 billion bushels. Soybean exports for 2023/24 are lowered by 25.0 million bushels to 1.8 billion bushels. U.S. soybean crush volume is forecast at 2.3 billion bushels, unchanged from the June forecast. Ending stocks for MY 2023/24 are estimated at 245 million bushels, down 55 million bushels from last month's forecast. The 2023/24 season-average soybean price forecast is increased from the previous forecast of \$12.40 per bushel to \$12.70 per bushel.

U.S. feed grain production in 2023 is forecast at 398 million tons, down 5.7 million tons this month, reflecting lower yields in corn and sorghum. U.S. corn production is lowered 209 million bushels on a 2.4 bushel per acre yield drop to 175.1 bushels. Corn supply now totals 16.59 billion bushels, with the lower production partially offset by increased beginning stocks. Corn usage is cut by 95 million bushels for 2023/24 on lower feed and residual, exports and food, seed, and industrial usage forecasts. Corn ending stocks for 2023/24 are lowered 59 million bushels to 2.2 billion. Corn usage in the 2022/23 marketing year is trimmed by 45 million bushels on changes to food, seed, and industrial and export usage.

Total corn use for 2023/24 is projected at 14.39 billion bushels, down 95 million bushels from the July report. Corn feed, seed, and industrial use is lowered 20 million bushels to 6.715 billion bushels, due to a decrease in starch and dextrose/glucose on weak usage carried through from 2022/23.

Source: <https://www.ers.usda.gov/publications/pub-details/?pubid=107158> USDA ERS Crops Report. August, 2023

Northeast Production Trends and Price Forecast

August 24, 2023

	COMPONENT PRICES PER POUND				BOSTON BLEND PRICE @3.5 bf	Class Price				Class III Futures	Class IV Futures	DMC Margin ¹	
	BUTTER		OTHER			BOSTON PPD/cwt.	I	II	III				IV
	FAT	PROTEIN	SOLIDS										
AUG-23	\$3.06	\$1.90	\$0.07	\$2.54	\$19.35	\$19.87	\$19.35	\$16.81	\$18.74	\$17.19	\$18.91	\$7.60	
SEP-23	\$3.09	\$2.35	\$0.08	\$1.53	\$19.85	\$22.15	\$19.35	\$18.32	\$18.65	\$18.76	\$18.93	\$7.95	
OCT_23	\$3.10	\$2.21	\$0.10	\$1.79	\$19.85	\$22.41	\$19.39	\$18.06	\$18.69	\$18.20	\$18.98	\$8.34	
NOV_23	\$3.11	\$2.20	\$0.12	\$1.77	\$19.95	\$22.39	\$19.52	\$18.18	\$18.73	\$18.19	\$19.00	\$8.52	

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

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

[May not add due to rounding]

State	Milk cows ¹		Milk per cow ²		Milk production ²		Change from 2022
	2022	2023	2022	2023	2022	2023	
	<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	2,145	2,200	1,336	1,386	3.7
Pennsylvania	467	466	1,790	1,780	836	829	-0.8
Vermont	117	117	1,845	1,840	216	215	-0.5
24-State Total	8,920	8,920	2,060	2,047	18,373	18,255	-0.6

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: June 2023 with Comparisons

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

State	June 2022		May 2023		June 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	27.30	3.91	20.30	4.05	19.00	4.00
Pennsylvania	27.70	3.86	20.60	4.02	19.30	4.00
Vermont	27.90	3.97	21.00	4.10	19.80	4.04
United States	26.70	3.94	19.30	4.06	17.90	4.01

Milk production in **Vermont** during July 2023 totaled 215 million pounds, down 0.5 percent from July 2022. The average milk price received by Vermont farmers in June 2023, at \$19.80 per hundredweight, is down \$1.20 from May 2023 and down \$8.10 from June a year ago.

Source: NASS Monthly Milk Production Report-Northeastern Region

National Dairy Outlook

The July Class III price was \$13.77, down \$5.66 from \$19.43 in January and \$8.75 lower than \$22.52 a year ago. August will experience a price rally with Class III around \$17.25. Milk production for July has declined 0.5% from last year, which is the result of 13,000 fewer cows. With lower milk production and no increase in cheese stocks, cheese buyers were more active in buying cheese in anticipation of possible tight supply in the coming months. This increase in cheese purchases caused cheese prices to rally. In early July cheddar barrels were \$1.3225 per pound and 40-pound blocks were \$1.3525 per pound. By the end of July barrels were \$1.87 per pound and 40-pound blocks were \$1.96 per pound. Barrel prices in August have weakened slightly to \$1.8050 per pound. However, 40-pound blocks have increased slightly to \$2.0075.

Very hot temperatures throughout much of the US in July put significant stress on milk cows. Lower milk prices, favorable beef prices, and widespread drought may tighten forage supplies and keep feed prices relatively high this winter and encourage heavier culling of cows from the herd. Cow slaughter so far this year has been 5.8% higher than a year ago. Cow numbers declined by 3,000 from June to July

While fluid milk consumption continues to average more than 2% lower than a year ago, the consumption of butter and cheese has increased resulting in higher total use of milk. In 2022 dairy exports experienced a record high, which added to strong milk prices. Currently, dairy exports continue to average below 2022 levels. The volume of June exports on a milk solids equivalent basis were 13% lower than a year ago, which is the fourth consecutive monthly decrease. Compared to June 2022, cheese exports were 19% lower, dry whey exports 34% lower, butter exports 60% lower. However, nonfat dry milk/skim milk powder exports were 2% higher. With US prices of butter and cheese increasing and world prices declining, the US is less price competitive on the world market. Exports could remain below 2022 levels for the remainder of the year.

In summary, milk prices will improve for the remainder of the year, but with feed prices still on the high side operating margins will remain tight for dairy producers.

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	% change prior month
Addison	75	75	75	75	75	74	75	75	0.00%
Bennington	7	7	7	7	7	8	8	8	0.00%
Caledonia	46	45	44	44	43	43	43	42	-2.32%
Chittenden	27	25	24	24	24	23	23	24	1.04%
Essex	9	9	9	8	8	9	9	9	0.00%
Franklin	102	102	102	102	100	100	100	98	-2.00%
Grand Isle	8	8	8	8	8	8	8	8	0.00%
Lamoille	23	23	22	22	22	22	21	21	0.00%
Orange	49	48	47	47	47	47	47	47	0.00%
Orleans	82	82	82	82	79	79	80	81	1.01%
Rutland	35	35	34	34	34	33	33	33	0.00%
Washington	18	18	18	18	17	17	17	17	0.00%
Windham	19	18	18	18	18	18	18	18	0.00%
Windsor	19	19	19	19	19	19	19	20	1.05%
TOTAL	519	514	509	508	501	500	501	501	0.00%
ORGANIC	133	128	127	127	126	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	88
On-Farm Dairy Processors	59	62	71	67	68	63	66	67	70	70	70	70
Total Dairy Processors	95	120	135	145	147	146	154	154	158	158	158	158