



Welcome to 2024!

I hope you all had a safe and enjoyable holiday season and wish you all a prosperous, and hopefully less rain-filled, 2024!

UVM Extension has exciting programming in store for 2024. First up will be a Cost of Production workshop with guest speaker Joanna Lidback. You can find more details and sign up [here](#). Additional workshops will expand on our previously covered topics of milk quality and grain production. Finally, look out for an updated look for the Dairy Update in the next few months.

If you have suggestions for future UVM Extension events, please reach out directly 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](#).

National Dairy Outlook

As we look ahead to what 2024 will bring for milk prices, it's helpful to reflect on the trends of 2023 dairy production and consumption. Milk prices continued to rise as lower milk production prompted a drawdown in dairy product inventories despite demand remaining flat. Growth in domestic commercial use of milk in all products was offset by a drop in the volume of U.S. dairy exports.

Dairy exports show that between April and October of 2023, the U.S. exported roughly 2 percent less of its milk solids production than it did over the same period in 2022. The key products contributing the most to this loss are dried and modified whey, whey protein concentrate, skim milk powder, butter and anhydrous milkfat, and cheese. Milk solids exported have lost an overall 12 percent of their per-unit dollar value during this period, reflecting the toll weaker worldwide import demand has had on international dairy prices.

Total U.S. milk production has slowed throughout the second half of 2023, due to lower cow numbers and flat production per cow. With some Northeastern co-ops lifting the quota in 2024, we can expect to see modest increases in milk production in pockets of the Northeast.

Looking ahead to 2024, the Federal Milk Marketing Order (FMMO) advanced Class I base price will be weaker to begin the year. At \$18.48/cwt, the January price is \$1.28 less than December 2023 and \$3.93 less than January 2023. The CME Class III and IV futures show a soft start to the year, with futures increasing steadily from March through April of 2024. As of last week, the December DMC margin was forecast at \$8.89/cwt, which would trigger Tier I indemnity payments at \$9 and \$9.50 coverage levels. However, the actual margin will be announced on January 31. Futures markets were also expecting the DMC margin to average about \$8.95/cwt during 2024, which would be \$2.20/cwt higher than 2023's projected average margin.

In dairy policy, the House of Representatives approved the Whole Milk for Healthy Kids Act, but the bill was blocked in the senate by Sen. Debbie Stabenow, chair of the Senate Ag Committee. Despite the potential for this bill to increase milk consumption in schools, Stabenow felt school milk standards should fall under the upcoming Dietary Guidelines for Americans. The DGA is expected to be released in 2025.

Source: <https://www.nmpf.org/milk-prices-rise-as-production-declines-and-inventory-shrinks/>

Northeast Production Trends and Price Forecast

December 14, 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								
	FAT	PROTEIN	SOLIDS	PPD/cwt.		I	II	III	IV			
NOV_23	\$3.46	\$1.32	\$0.19	\$3.59	\$20.74	\$23.00	\$21.21	\$17.15	\$20.87	\$17.15	\$20.87	\$9.44
DEC_23	\$2.82	\$1.66	\$0.23	\$3.55	\$19.70	\$23.00	\$19.33	\$16.18	\$19.08	\$16.21	\$19.08	\$8.83
JAN-24	\$2.70	\$1.80	\$0.23	\$2.94	\$19.07	\$21.36	\$18.94	\$16.45	\$18.77	\$16.34	\$18.52	\$7.99
FEB-24	\$2.74	\$1.79	\$0.24	\$2.82	\$19.12	\$21.17	\$19.13	\$16.71	\$18.85	\$16.51	\$18.60	\$7.98
MAR-24	\$2.76	\$1.80	\$0.24	\$2.87	\$19.28	\$21.33	\$19.24	\$17.44	\$19.17	\$17.23	\$18.86	\$8.36

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

Milk Cows and Production - Northeastern States and 24 Selected States: During November 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
	<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	628	630	2,035	2,040	1,278	1,285	0.5
Pennsylvania	467	466	1,700	1,680	794	783	-1.4
Vermont	118	116	1,755	1,725	207	200	-3.4
24-State Total	8,924	8,898	1,951	1,948	17,413	17,330	-0.5

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: October 2023 with Comparisons

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

State	October 2022		September 2023		October 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	26.70	4.08	21.90	4.05	23.20	4.16
Pennsylvania	26.90	4.09	21.50	4.01	22.80	4.08
Vermont	27.00	4.10	22.20	4.08	23.50	4.19
United States	25.60	4.14	21.00	4.08	21.60	4.21

Milk production in **Vermont** during November 2023 totaled 200 million pounds, down 3.4 percent from November 2022. The average milk price received by Vermont farmers in October 2023, at \$23.50 per hundredweight, is \$1.30 higher than September 2023 but \$3.50 lower than October a year ago.

Source: NASS Monthly Milk Production Report-Northeastern Region

Vermont Dairy Cow Operations by County – 2024

County	Jan.	Feb	March	April	May	June	July	August	September	October	November	December	% change prior month
Addison	75	75	75	75	75	74	75	75	77	77	76	76	0.00%
Bennington	7	7	7	7	7	8	8	8	8	8	8	8	0.00%
Caledonia	46	45	44	44	43	43	43	42	42	42	41	41	0.00%
Chittenden	27	25	24	24	24	23	23	24	24	24	24	24	0.00%
Essex	9	9	9	8	8	9	9	9	9	9	9	9	0.00%
Franklin	102	102	102	102	100	100	100	98	98	95	95	95	0.00%
Grand Isle	8	8	8	8	8	8	8	8	8	8	8	8	0.00%
Lamoille	23	23	22	22	22	22	21	21	21	22	21	21	0.00%
Orange	49	48	47	47	47	47	47	47	45	45	44	44	0.00%
Orleans	82	82	82	82	79	79	80	81	79	77	78	78	0.00%
Rutland	35	35	34	34	34	33	33	33	33	33	33	33	0.00%
Washington	18	18	18	18	17	17	17	17	19	19	17	17	0.00%
Windham	19	18	18	18	18	18	18	18	18	18	18	18	0.00%
Windsor	19	19	19	19	19	19	19	20	20	19	19	19	0.00%
TOTAL	519	514	509	508	501	500	501	501	501	496	491	491	0.00%
ORGANIC	133	128	127	127	126	125	125	125	125	123	123	123	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	2023 Q3
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	\$21.07
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	\$16.45
DMC Margin-FSA	\$0.258	\$0.00	MPP/ MCP Margin level	\$8.01	\$9.68	\$7.53	\$9.60	\$9.65	\$6.92	\$10.80	\$6.74	\$4.77	\$6.14
# of VT Cow Dairy Farms	939	880	853	838	796	725	677	636	583	550	514	503	496
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.	634 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	116,000
Ave. # of cows/ farm	142	150	155	155	162	175	185	192	205	216	230	235	234
Certified Organic Cow Dairy Farms	198	184	184	203	199	190	187	169	162	154	129	125	123
Off-Farm Dairy Processors	36	58	64	78	79	83	88	87	88	88	88	88	88
On-Farm Dairy Processors	59	62	71	67	68	63	66	67	70	70	70	70	70
Total Dairy Processors	95	120	135	145	147	146	154	154	158	158	158	158	158