



## Vermont Dairy Update June 2023

### What's New This Month

With the onset of summer comes a host of on-farm workshops. You can find more details at:

<http://go.uvm.edu/conferences>

We hope to see you at one of our events this summer!

### Grain Update

The price of Organic Corn in the middle of VT currently is between \$10-11.50/ bu (variance due to locale, who is pricing it, etc.).

The price of Organic Soybeans in the middle of VT currently is \$22-24/bu (variance due to locale, who is pricing it, etc.).

Last year with the exceptionally high price of beans, the world found ways to get Organic Soybeans into our country cheaper, and that they did! After regulatory clampdowns in India, some of the players moved their processes to Africa, combined with others hoping to take advantage of higher prices in the US. Currently there now is more of a supply of Organic soybeans than there is a demand, and the price has declined precipitously.

Organic Corn has traded lower as well. With the conventional market slipping and demand side a bit lackluster due to plentiful rains and animals out in the fields, there too has been a bit less of a demand from those big users, and prices have declined.

However, with the new crop just being put in the ground we shall see if there are any weather hiccups and how the crop fairs throughout the growing and harvest season.

### Northeast Production Trends and Price Forecast

May 30, 2023

	COMPONENT PRICES PER POUND			BOSTON BLEND PRICE @3.5 bf	BOSTON BLEND PRICE				Class III Futures	Class IV Futures	DMC Margin <sup>1</sup>	
	BUTTER	OTHER	BOSTON		Class Price							
	FAT	PROTEIN	SOLIDS		PPD/cwt.	I	II	III				IV
<b>MAY-23</b>	\$2.77	\$1.82	\$0.19	\$2.99	\$19.18	\$22.82	\$18.93	\$16.20	\$18.14	\$16.16	\$18.10	\$5.31
<b>JUN-23</b>	\$2.73	\$1.83	\$0.16	\$2.77	\$18.69	\$21.26	\$18.93	\$15.91	\$18.18	\$15.88	\$18.16	\$5.36
<b>JUL-23</b>	\$2.73	\$2.08	\$0.15	\$2.44	\$19.07	\$21.76	\$19.10	\$16.62	\$18.27	\$16.58	\$18.17	\$6.18
<b>AUG-23</b>	\$2.76	\$2.38	\$0.13	\$2.08	\$19.62	\$22.40	\$19.44	\$17.54	\$18.61	\$17.41	\$18.56	\$7.19

Source: [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 April 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 .....	620	630	2,105	2,120	1,305	1,336	2.4
Pennsylvania .....	467	466	1,830	1,835	855	855	-
Vermont .....	118	118	1,820	1,820	215	215	-
24-State Total .....	8,908	8,944	2,053	2,055	18,291	18,378	0.5

<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: March 2023 with Comparisons

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

State	March 2022		February 2023		March 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 .....	25.90	4.09	22.50	4.17	21.80	4.18
Pennsylvania .....	26.40	4.06	22.70	4.14	21.70	4.14
Vermont .....	26.60	4.12	23.00	4.21	22.20	4.23
United States .....	25.60	4.12	21.60	4.21	21.10	4.19

Milk production in Vermont during April 2023 totaled 215 million pounds, unchanged from April 2022. The average milk price received by Vermont farmers in March 2023, at \$22.20 per hundredweight, is down \$0.80 from February 2023 but down \$4.40 from March a year ago.

Source: NASS Monthly Milk Production Report-Northeastern Region

## National Dairy Outlook

Milk production January through March was 1% higher than a year ago. April production was just 0.3% higher. While the number of milk cows were 26,000 higher than a year ago, up 0.3%, milk per cow was unchanged. Despite a slowdown in milk production, cheese prices have been on a steady decline, beginning in April and continuing in May. On the CME-cheddar barrels averaged \$1.8175 per pound in March and \$1.5921 in April. As of May 19th, barrels were just \$1.47 per pound. The 40-pound cheddar blocks averaged \$1.9372 per pound in March and \$1.7574 in April. As of May 19 blocks were just \$1.530 per pound. Dry whey prices have also fallen, averaging \$0.4449 per pound in March and \$0.3709 in April. As of May 19 dry whey price was at just \$0.2650 per pound. These lower prices will drop the Class III price from the previous \$18.52 in April to a predicted \$16.30 in May.

Looking ahead the Class III price could stay in the \$16's through June and July. Class III prices are then likely to increase for the rest of the year. The increase in milk production over the previous year should stay well below 1%. As schools resume in August beverage milk sales are predicted to increase. This is combined with the building of butter and cheese stocks in late fall for the seasonal sales surrounding Thanksgiving through Christmas. All of this will push the Class III price higher in the second half of the year. By August, the Class III price could be in the high \$17's, increase to \$18 by September, and peak in the high \$18's in October and November. Class III futures for the last quarter of the year have softened to \$18's. USDA forecasts the Class III price to average \$17.75 for the year compared to the \$21.96 average for 2022. Milk prices will continue to stay well below those of 2022. Dairy producer margins will be squeezed. Some relief in lower feed prices are expected by fall if final crop yields turn out as expected.

## Vermont Dairy Cow Operations by County – 2023

County	Jan.	Feb	Mar	April	May	% change prior month
Addison	75	75	75	75	75	0.00%
Bennington	7	7	7	7	7	0.00%
Caledonia	46	45	44	44	43	-2.27%
Chittenden	27	25	24	24	24	0.00%
Essex	9	9	9	8	8	0.00%
Franklin	102	102	102	102	100	-1.96%
Grand Isle	8	8	8	8	8	0.00%
Lamoille	23	23	22	22	22	0.00%
Orange	49	48	47	47	47	0.00%
Orleans	82	82	82	82	79	-3.65%
Rutland	35	35	34	34	34	0.00%
Washington	18	18	18	18	17	-5.55%
Windham	19	18	18	18	18	0.00%
Windsor	19	19	19	19	19	0.00%
<b>TOTAL</b>	519	514	509	508	501	-1.66%
<b>ORGANIC</b>	133	128	127	127	126	-0.78%

**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
2012	17	145	810	972
2013	17	142	780	939
2014	25	129	726	880
2015	26	127	700	853
2016	27	138	673	838
2017	32	117	250 CSFO -647	796
2018	34	104	273 CSFO - 587	725
2019	33	105	268 CSFO - 539	677
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
<b>Ave. Milk Price (per cwt.)</b>	\$19.60	\$23.63	\$16.49	\$15.25	\$16.78	\$15.44	\$17.46	\$16.45	\$17.23	\$24.49	\$22.17
<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	\$16.11
<b>DMC Margin-FSA</b>	\$0.258	\$0.00	MPP/MCP Margin level	\$8.01	\$9.68	\$7.53	\$9.60	\$9.65	\$6.92	\$10.80	\$6.74
<b># of VT Cow Dairy Farms</b>	939	880	853	838	796	725	677	636	583	550	514
<b>Milk Production USDA</b>	2.615 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.	2.564 b lbs.	213 mil. lbs.	215 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
<b>Ave. # of cows/ farm</b>	142	150	155	155	162	175	185	192	205	216	230
<b>Certified Organic Cow Dairy Farms</b>	198	184	184	203	199	190	187	169	162	154	129
<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