



Vermont Dairy Update March 2023

Welcome!

This February edition of the Vermont Dairy Update will be different in a few ways. First, you may have noticed that the January update came from a different source, UVM Extension. UVM Extension will produce this report monthly, and we are excited about making some new additions. Data will come from the same reliable sources as before – USDA, National Agricultural Statistics Service (NASS), Chicago Mercantile Exchange (CME), Chicago Board of Trade (CBT), and VAAFM to name a few. The tables and graphs will be changing in appearance and content, bringing the same important data as before but with new looks and emphasis. Your feedback is welcome!

What's New and Upcoming

This month features a grain report, showing historical and future prices for corn and soy. These commodities are worth tracking on a monthly basis, as feeds can account for a large portion of a farm's expenses. These data are also important in the calculation of DMC payments, along with milk price forecasts. In future editions we will be offering updates on organic milk prices and grains. We are currently working with our sources on these important additions. We'll also be including excerpts from nationally known dairy updates already being published, continuing to provide valuable information to our Vermont dairy community.

Important News

Dairy Margin Coverage (DMC) premium reimbursements - if you have signed up for DMC and have not yet completed the paperwork with the Agency of Agriculture to receive your premium reimbursement, please reach out as soon as possible. You can contact Terry Smith at 802-828-5667.

Grain Update

Each month's Dairy Update includes a grain report for corn and oilseeds. We will focus on global and national trends as reported by USDA monthly and quarterly reporting. We continue to seek important information to use in making management decisions. As the update develops, we will adjust and modify our content on an ongoing basis.

Outlook for 2023:

Global Corn: Production is forecast lower with a large cut to Argentina significantly exceeding increases in the Philippines, Vietnam, and Uzbekistan. Global trade forecast is up this month as higher exports from Ukraine, Brazil, Paraguay, and Turkey offset lower exports from Argentina. Global imports are also forecast up this month with stronger European Union imports more than offsetting cuts for Vietnam, Indonesia, and Malaysia. The U.S. season-average farm price is unchanged at \$6.70/bushel.

Soybean: This month's U.S. Soybean outlook is lower for soybean crush and higher ending stocks. Soybean crush is forecast at 2.23 billion bushels, down 15 million from last month on lower domestic soybean meal disappearance and a higher soybean meal extraction rate. With soybean exports unchanged, ending stocks are forecast at 225 million bushels, up 15 million.

Source: <https://www.fas.usda.gov/data/grain-world-markets-and-trade>

Northeast Production Trends and Price Forecast

Feb 23rd, 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	SOLIDS			I	II	III	IV			
	FAT	PROTEIN	SOLIDS									
FEB-23	\$2.75	\$2.39	\$0.21	\$1.93	\$19.88	\$22.33	\$19.53	\$17.94	\$18.91	\$17.88	\$18.90	\$6.20
MAR-23	\$2.72	\$2.35	\$0.22	\$1.88	\$19.68	\$22.25	\$19.40	\$17.80	\$18.66	\$17.80	\$18.80	\$6.00
APR-23	\$2.70	\$2.44	\$0.20	\$1.84	\$19.70	\$22.21	\$19.27	\$17.87	\$18.66	\$17.90	\$19.05	\$6.11

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

Milk Cows and Production - Northeastern States and 24 Selected States: During January 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	620	630	2,090	2,130	1,296	1,342	3.5
Pennsylvania	468	466	1,810	1,820	847	848	0.1
Vermont	119	118	1,815	1,845	216	218	0.9
24-State Total	8,876	8,927	2,051	2,069	18,205	18,469	1.5

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: December 2022 with Comparisons

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

State	December 2021		November 2022		December 2022	
	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	22.00	4.14	26.00	4.11	24.90	4.17
Pennsylvania	22.30	4.11	26.60	4.12	25.50	4.18
Vermont	22.70	4.17	26.30	4.11	25.40	4.18
United States	21.70	4.20	25.60	4.23	24.70	4.27

Milk production in Vermont during January 2023 totaled 218 million pounds, up 0.9% from January 2022. The average milk price received by Vermont farmers in December 2022, at \$24.50 per hundredweight, is down \$0.90 from November 2022 but up \$2.70 from December 2021.

Source: NASS Monthly Milk Production Report-Northeastern Region

National Dairy Outlook

Dairy exports were a major factor for stronger milk prices in 2022. Exports for all of 2022 were a record. USDA is forecasting 2023 exports to be lower than 2022. U.S. will face more competition for exports as Europe's milk production increases. New Zealand could experience increased milk production depending upon weather conditions. Also, there is softness in international demand that could limit exports.

The production of dairy products has been above year ago levels. Compared to December a year ago butter production was 3.9% higher and total cheese production 2.2% higher. Butter and cheese stocks increased from November 30th to

December 31st. Compared to a year ago December 31st stocks of butter were 9% higher and total cheese stocks at the same level.

Opinions as to the level of 2023 milk prices vary considerably but all forecast much lower milk prices than 2022. USDA has lowered their price forecast. Class III averaged \$21.94 for 2022, \$4.86 higher than 2021. The forecast for 2023 is \$17.90, \$4.04 lower than 2022. Class IV averaged \$24.47 for 2022, \$8.38 higher than 2021. The forecast for 2023 is \$18.25, \$6.22 lower than 2022.

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

Vermont Dairy Cow Operations by County – 2023

County	Jan.	Feb	% change prior month	Avg. #
Addison	75	75	0.00%	75
Bennington	7	7	0.00%	7
Caledonia	46	45	-2.17%	45
Chittenden	27	25	-7.40%	26
Essex	9	9	0.00%	9
Franklin	102	102	0.00%	102
Grand Isle	8	8	0.00%	8
Lamoille	23	23	0.00%	23
Orange	49	48	-2.04%	48
Orleans	82	82	0.00%	82
Rutland	35	35	0.00%	35
Washington	18	18	0.00%	18
Windham	19	18	-5.26%	18
Windsor	19	19	0.00%	19
TOTAL	519	514	-1.66%	516
ORGANIC	133	128	-3.76	130

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.