

Hopefully you've all been able to enjoy a bit of the recent sunshine. Certainly a welcome relief from the gray days of January.

UVM Extension is excited to partner with the Northwest Crops and Soils team and the Champlain Valley Crops, Soils and Pasture team to host another workshop in our Grain Growers series to producers and service providers. This workshop will take place on March 21 from 10 am- 2pm at the Middlebury Extension office. You can find additional details and registration information [here](#).

If you have suggestions for future UVM Extension events, please reach out directly at [whitney.hull@uvm.edu](mailto: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

While only a month into 2024, outlooks point to a slightly more stable year than 2023. This is primarily due to lower feed costs and a more consistent milk price predicted for the coming year. Driving the forecasts for milk prices are the decrease in milk production and a reduction in the number of dairy cows in the latter half of 2023. Dairy exports were down overall for 2023, mainly due to the high prices for US dairy exports not able to compete with products from Europe and Australia. While the outlook for 2024 dairy exports predicts a stronger year, Chinese economic growth remains a key concern.

Despite a decrease in dairy product exports in 2023, US exports of soybean meal saw a significant increase. Increased demand from South America, specifically Colombia and Ecuador, helped increase soybean meal exports by 30% over the five-year average. Soy continues to be the number 1 leading agricultural export in both value and volume for the United States. Predictions are that the export market for domestic soy products will continue in the coming years. This will remain an area to watch.

Domestic dairy consumption is predicted to trend higher throughout 2024. Fluid milk consumption continues to decline, but the bright spot is an increase in cheese and butter consumption. However, this increase in consumption of dairy products may have reached market saturation. Cheese stores increased in the final months of 2023, so time will tell whether cheese consumption has begun to plateau or whether consumer demand will continue to increase.

While dairy producers slowed production growth in the second half of last year, we can expect to see production increases in the coming year as margins improve. Past trends have shown about a 1% increase in production year over year. 2023 bucked that trend with less than a 0.2% increase in production from 2022. We can expect that milk production increases will come from dairies increasing herd size. Two significant processing plants are in the works in the eastern half of the US, with Walmart selecting Georgia for a processing plant and Fairlife bringing a processing plant to New York. The impacts of these two processing plants on milk production will be something to watch as producers prepare for these plants to come online over the next couple of years.

January prices announced for FMMO Class II, III and IV were mixed compared to December of 2023, with minor gains in Class II and Class IV prices offsetting decreases in the price for Class III milk. A wide Class III-IV price spread also

maintains a substantial Class IV depooling incentive. Futures markets for margins are projecting an average of \$8.85/cwt from January through September and then increase to an average of \$10.85/cwt during the final quarter of 2024.

Source: <https://extension.uga.edu/publications/detail.html?number=AP130-2-09>

## Northeast Production Trends and Price Forecast

January 29, 2024

	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>JAN-24</b>	\$2.94	\$1.16	\$0.24	\$4.15	\$19.29	\$21.73	\$19.92	\$15.13	\$19.17	\$15.20	\$19.25	\$8.56
<b>FEB-24</b>	\$2.92	\$1.31	\$0.25	\$3.75	\$19.29	\$21.24	\$19.87	\$15.53	\$19.17	\$16.06	\$19.75	\$8.56
<b>MAR-24</b>	\$2.92	\$1.41	\$0.25	\$3.46	\$19.31	\$21.31	\$19.87	\$15.83	\$19.00	\$16.53	\$19.83	\$8.67
<b>APR-24</b>	\$2.94	\$1.54	\$0.26	\$3.10	\$19.49	\$21.38	\$19.78	\$16.38	\$19.13	\$16.86	\$19.82	\$8.77

Source: Agri-Mark Weekly Update [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 December 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>		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 .....	630	630	2,090	2,120	1,317	1,336	1.4
Pennsylvania .....	465	465	1,780	1,765	828	821	-0.8
Vermont .....	118	116	1,815	1,800	214	209	-2.3
24-State Total .....	8,918	8,901	2,029	2,030	18,093	18,069	-0.1

<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: November 2023 with Comparisons

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

State	November 2022		October 2023		November 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 .....	26.00	4.11	23.20	4.16	23.20	4.28
Pennsylvania .....	26.60	4.12	22.80	4.08	23.10	4.24
Vermont .....	26.30	4.11	23.50	4.19	23.60	4.31
United States .....	25.40	4.23	21.60	4.21	21.70	4.32

Milk production in **Vermont** during December 2023 totaled 209 million pounds, down 2.3 percent from December 2022. The average milk price received by Vermont farmers in November 2023, at \$23.60 per hundredweight, is \$0.10 higher than October 2023 but \$2.70 lower than November a year ago.

Source: NASS Monthly Milk Production Report-Northeastern Region

## Vermont Dairy Cow Operations by County – 2024

County	Jan.	% change prior month
Addison	76	0.00%
Bennington	8	0.00%
Caledonia	40	-2.43%
Chittenden	24	0.00%
Essex	9	0.00%
Franklin	93	-2.10%
Grand Isle	8	0.00%
Lamoille	20	-4.76%
Orange	44	0.00%
Orleans	78	0.00%
Rutland	32	-3.03%
Washington	17	0.00%
Windham	18	0.00%
Windsor	19	0.00%
<b>TOTAL</b>	486	-1.02%
<b>ORGANIC</b>	133	0.00%

**Ave. # dairy farms-2020 – 636, 2021 -583 & 2022 – 549, 2023 - 503**

## 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
2023	46	89	208 CSFO – 360	495

CSFO as of January 31, 2018. Certified Small Farms have 50 - milking cows to 199 cows.

This table represents the number of locations producing milk, not the number of farm operations within a specific size classification as some operations produce milk at more than one location.

## Vermont Dairy Data-10 year Summary

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Q1	2023 Q2	2023 Q3
<b>Ave. Milk Price</b>	\$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
<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	\$18.44	\$16.51	\$16.45
<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	\$4.77	\$6.14
<b># of VT Cow Dairy Farms</b>	939	880	853	838	796	725	677	636	583	550	514	503	496
<b>Milk Production USDA</b>	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.
<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	118,000	116,000
<b>Ave. # of cows/ farm</b>	142	150	155	155	162	175	185	192	205	216	230	235	234
<b>Certified Organic Cow Dairy Farms</b>	198	184	184	203	199	190	187	169	162	154	129	125	123
<b>Off-Farm Dairy Processors</b>	36	58	64	78	79	83	88	87	88	88	88	88	88
<b>On-Farm Dairy Processors</b>	59	62	71	67	68	63	66	67	70	70	70	70	70
<b>Total Dairy Processors</b>	95	120	135	145	147	146	154	154	158	158	158	158	158