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Dairy

Milk production down from last year

By CAROL RYAN DUMAS
Capital Press



At 19.05 billion pounds, U.S. milk production in January was down a dramatic 1.6% year over year on 82,000 fewer cows and a decline of 15 pounds per cow, according to USDA National Agricultural Statistics Service.

Milk production was down in 19 of the 24 states with the largest production.

Milk production in New Mexico showed the largest decline, down 12.1% from January 2021 on 42,000

fewer cattle. The state's production per cow, however, was up 10 pounds. Washington also saw a large decline in milk production, down 7.1% on 17,000 fewer cows and a 20-pound decline in production per cow.

On the plus side, South Dakota's milk production increased 18.3% with 28,000 additional cows despite a per-cow decline of 20 pounds.

The USDA report also

showed a 1.3% increase in milk production in 2021 over year. The number of cows increased 56,000 head year over year in 2021, and per-cow production was up 171 pounds.

Nationwide, the industry lost 1,794 licensed dairy herds in 2021 — a 5.7% drop from 2020. Declines in the number of dairies were seen in 41 states, and nine others held steady.

The biggest declines were in Wisconsin, down 340 dairies; Pennsylvania, down 230 dairies; New York, down 220;

and Washington, down 145 dairies.

While year-over-year cow numbers were down 9,000 head in Washington and 8,000 in Pennsylvania, they were up 15,000 in Wisconsin and 1,000 in New York.

Over the past 10 years, the number of licensed dairy herds declined by 39.5%, from 49,331 herds in 2012 to 29,858 in 2021. During the same period, the number of milk cows increased 2%, milk produced per cow increased 10% and overall milk production increased 13%.

High input costs temper strong milk prices

By CAROL RYAN DUMAS
Capital Press

While the futures market is bullish for milk prices and keeping up with grain prices, non-feed costs are likely to limit profitability on dairy farms in the coming year, an economist says.

Futures prices on Class III milk for the next 12 months are about \$22 per hundredweight, and the margin between milk prices and feed costs is projected at more than \$11.50 a hundredweight.

Milk and feed prices are the two biggest factors in driving profitability. And on that basis, it looks like margins are going to be favorable, said Andy Novakovic, professor of agricultural economics emeritus at Cornell University.

"But the big thing this year that's different from our common everyday assumption is that non-feed factors are moving also," he said in the latest "Dairy Livestream" webcast.

Those always move a little but generally not enough to drive the profitability factor. But fertilizer and other input costs and interest rates on operating debt and capital improvements are all more expensive than they used to be, he said.

"So to me, that's a little bit harder to predict ... we don't have forward markets on all that stuff. And so to me, that could be a real restraint," he said.

It's probably going to be one of those years where guys who grow all or a big chunk of their feed are going to be in better shape than guys who purchase feed. But it will depend on what happens with all the crazy weather that's probably associated with climate change, he said.

"Those are pretty big factors that are going to come into play here as well," he said.

As for milk production, dairy producers will have a tendency to focus first on the milk price and then take a look at how badly costs are eating up that milk price, said Mark Stephenson, director of the Center for Dairy Profitability at the University of Wisconsin.

"It's significant this year, but that milk price is alluring. It's going to be something you want to grab as much of as you can," he said.

That said, inflation and non-feed cost inflation is real, he said.

He thinks margins will be positive, depending on the amount of feed farmers are growing themselves. But even the inputs for growing feed are very high this year, he said.

"We'll have to see how it plays out, but I think we're going to produce more milk," he said.

Phil Plourd, president of Blimling and Associates, said he's hearing credible talk of cost of production at about \$21 per hundredweight for producers in the West buying feed. That's a big number, but milk prices look like they're going to be \$22 to \$23 per hundredweight, he said.

Dairy Checkoff partners with Mayo Clinic

Capital Press

The Dairy Checkoff has entered into a five-year collaboration with the Mayo Clinic to undertake research on public health and dairy's benefits.

The memorandum of understanding with Mayo includes Dairy Management Inc., National Dairy Council and the Innovation Center for U.S. Dairy.

"This is a milestone moment for dairy farmers who made this possible through their century-long commitment to research and dairy nutrition," Barbara O'Brien, Dairy Management Inc. CEO, said in a press release.

"This is a powerful collaboration that shows how the Dairy Checkoff is expanding our scientific network to bring a modernized complement to our legacy and move us further into the future," she said.

The collaboration will be incorporated across Mayo Clinic's campuses in Rochester, Minn., Scottsdale and Phoenix, Ariz., and Jacksonville, Fla.

Teams comprised of National Dairy Council scientists and registered dietitians, Mayo Clinic physicians and health professionals as well as Innovation Center for U.S. Dairy experts will lead initiatives focused on three areas:

- Research to discover how dairy foods, particularly whole milk dairy, impacts cardiovascular health and metabolic conditions. Other potential research areas include dairy's role in sleep, digestive health and immunity.



Dairy West

The Mayo Clinic and the Dairy Checkoff will work together on research about the impact of milk on human health.

- Communicating dairy's body of evidence, new research and insights with the scientific community, health and wellness professionals and consumers.
- Exploring dairy's role through digital platforms to propel people into a new way of precisely managing their wellness.

In addition, co-created content will help debunk dairy myths and help consumers maintain confidence in dairy foods, farms and businesses.

"This collaboration illustrates the checkoff's consumer-first focus and our commitment to leading with credible science," said Marilyn Hershey, a Pennsylvania dairy farmer and chair of Dairy Management Inc.

For information about the Dairy checkoff, visit: www.usdairy.com.

Milk output down 1.6%

By LEE MIELKE
For the Capital Press

DAIRY MARKETS

U.S. milk production dropped for the third month in a row from a year ago.

The Agriculture Department's latest Milk Production report shows preliminary January output at 19.05 billion pounds, down 1.6% from January 2021, the steepest year over year decline since March 2004, when there was a shortage of recombinant bovine somatotropin, according to Dairy and Food Market Analyst editor Matt Gould in the Feb. 28 "Dairy Radio Now" broadcast.

Output in the top 24 producing states totaled 18.2 billion pounds, down 1.4%. Revisions lowered the original

Lee Mielke



50-State December estimate by 35 million pounds, now put at 18.8 billion pounds, down 0.3% from a year ago.

January cow numbers totaled 9.368 million, down 5,000 from December, the eighth consecutive month they were down from the previous month, and 82,000 head below a year ago.

The December count was revised 2,000 head lower. The milking herd has dropped 139,000 head from its peak in May 2021.

Output per cow averaged 2,034 pounds, down 15 pounds, or 0.7%, from 2021.

California's output totaled 3.5 billion pounds, down 68 million pounds, or 1.9%, from a year ago, thanks to a 40-pound drop per cow. Cow numbers were unchanged.

Wisconsin output totaled 2.7 billion pounds, down 8 million, or 0.3%. Cow numbers were up 11,000, but output per cow was down 25 pounds.

Idaho was up 0.6% on 4,000 more cows. Output per cow was unchanged.

Michigan was down 3.5% on 10,000 fewer cows and a 30-pound drop per cow. Minnesota was down 1.0% on a 25-pound drop per cow, though cow numbers were up 1,000. New Mexico output plunged 12.1% on a drop of 42,000 cows, although output per cow was up 10 pounds.

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