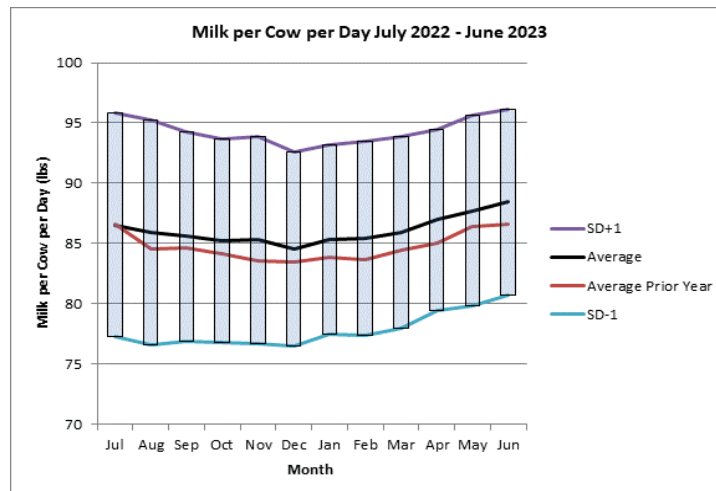


Dairy Profit Monitor Trends July 2022 through June 2023 42 Farms, 12 months

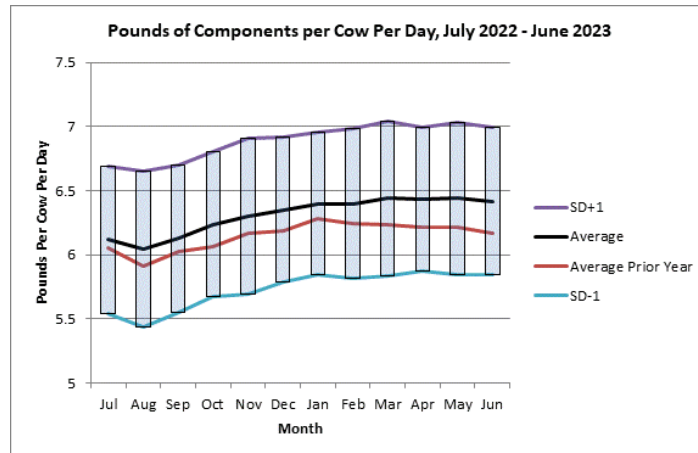
Jason Karszes, Mary Kate MacKenzie, and Lauren Augello

With unpredictable cycles in the dairy industry and fluctuations in prices, it is important to continually monitor performance of your dairy business. The graphs depicted below show trends in the monthly average and range (one standard deviation above and below the average) for dairy performance metrics measured in the [Dairy Profit Monitor](#) from July 2022 through June 2023 for 42 farms, primarily in New York State. The graphs also show the averages for these same farms in the prior year (July 2021 through June 2022) as a comparison.

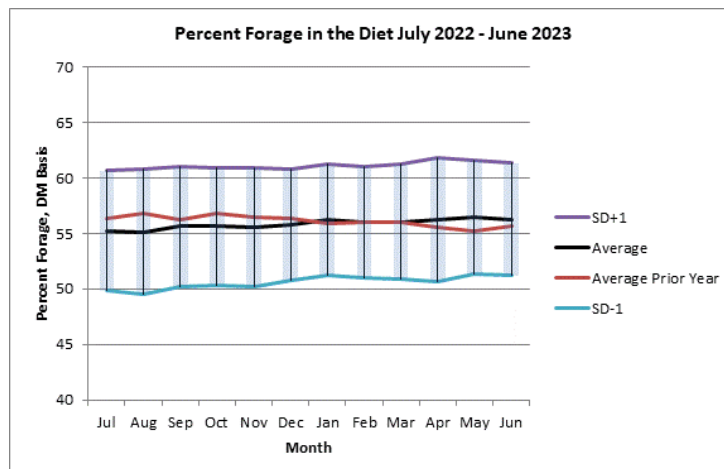
Milk per cow per day followed historical seasonal trends from July 2022 through June 2023. Milk production peaked in June and July of 2022, then fell gradually until the low in December, before slowly increasing back up through June of 2023. Milk production for the last 12 months is running between one and two pounds higher, year over year, for most of the year.



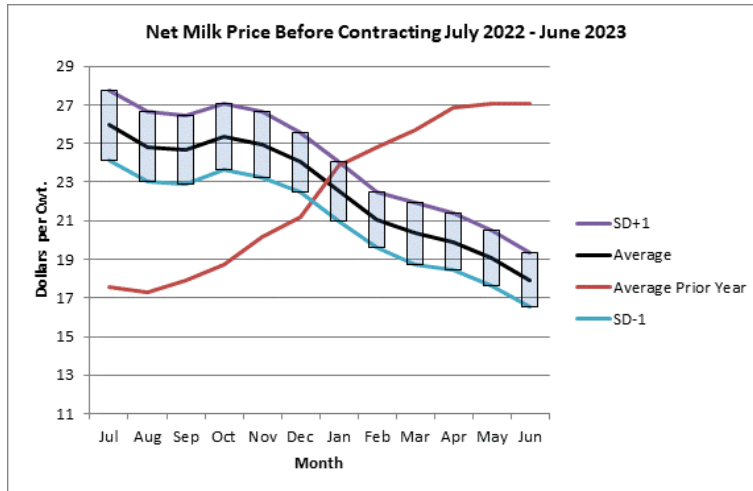
Similar to the increase in milk per cow per day, pounds of components per cow per day is trending higher. Component production in July 2022 was just 0.06 pounds higher than in July 2021. From July 2022 until January 2023, component production increased at a similar rate compared to the prior year. In 2022, component pounds decreased from January until June. However, since January 2023, these farms continued to increase pounds of components and have held steady around 6.4 pounds through June 2023, which is 0.21 pounds higher than June of 2022.



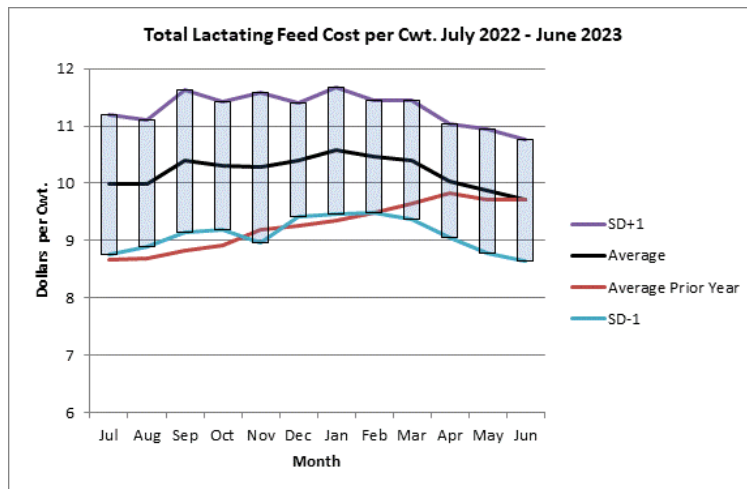
Compared to the prior year, percent forage in the diet was a bit lower from July through December of 2022, similar from January through March of 2023, and higher from April through June of 2023. This reflects the combination of forage quantity and quality harvested by farms with different growing conditions across the state over the two year and how feeding strategies change to reflect forage inventories and/or to maximize net milk income over feed costs.



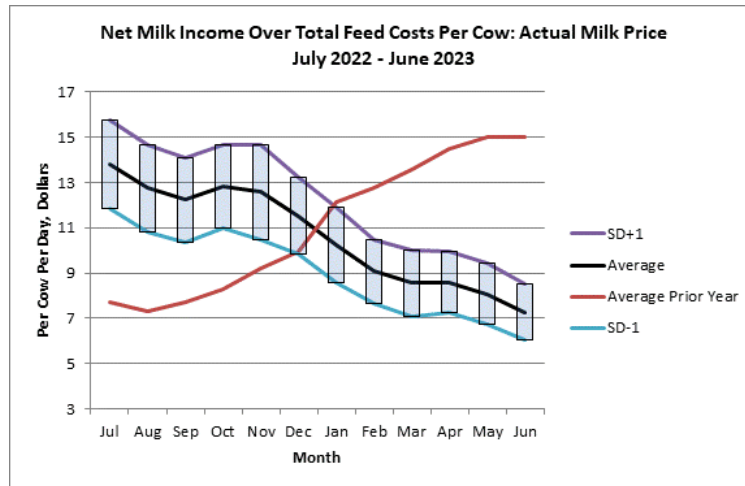
As reported in the dairy press, there was a significant decrease in net milk price starting in July of 2022, and continuing throughout the next 12 months, opposite the trend that occurred in 2021. In June 2022 the net milk price averaged \$27.05 per cwt, while the average in June 2023 was \$17.93 per cwt. This \$9.12 difference led to a significant drop in net milk income over total feed costs per cow for the same 12-month period.



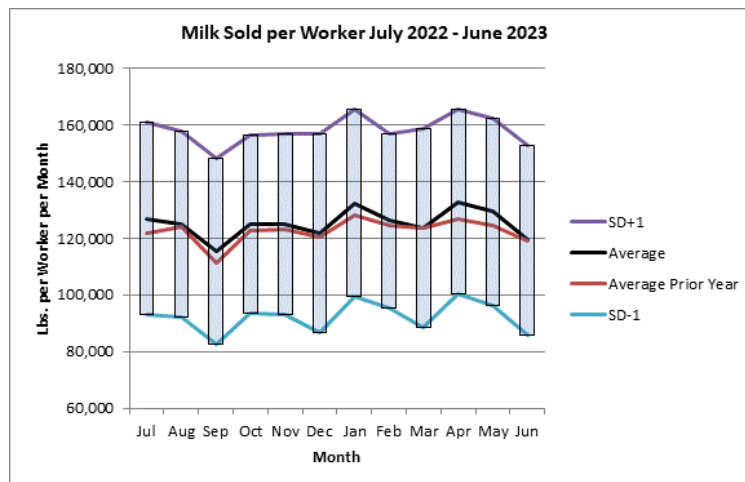
While net milk price fell close to where it was back in July of 2021, total feed costs did not change as much. Total feed costs continued to increase from July 2022 to January of 2023, and then started to decrease, falling back below \$10.00 per cwt.



As previously mentioned, net milk income over total feed costs per cow per day decreased significantly from July 2022 through June 2023, reversing the trend from the previous 12 months. June 2023 values have returned to levels that were last seen in July and August of 2021. Net milk income over total feed costs (NMIOTFC) measures the amount of money left over to cover all other farm expenses after feed is paid for. NMIOTFC per cow per day is calculated by taking the gross milk payment and subtracting the marketing and hauling expense and the total feed cost (for the lactating herd). Then divide that number by the average number of cows (lactating). The NMIOTFC captures fluctuations in feed costs and milk production and measures the overall performance of the feeding program. Pounds of components per cow per day has the highest impact on the total NMIOTFC, while feed conversion, milk price, and feed costs all contribute to the measurement.



As labor costs continue to increase, labor efficiency measured by milk sold per worker has trended up, with 11 of the 12 months averaging higher than the previous month, reflecting efforts across farms to increase labor efficiency.



With increases in inflation, it is especially important to track your farm business's performance from month to month. Dairy Profit Monitor Program is a tool that can aid in measuring farm business performance monthly. For more information regarding the program, visit cals.cornell.edu/pro-dairy/our-expertise/business/dairy-profit-monitor or contact dairyprofit@cornell.edu.