

Dairy Profit Monitor Trends July 2020 through June 2022 41 Farms, 24 months

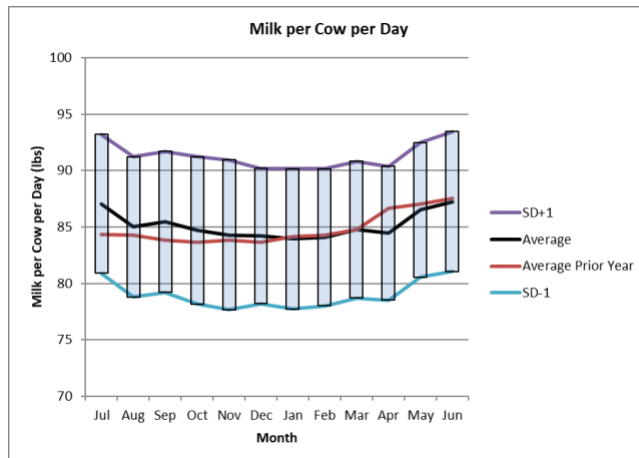
Lauren Augello and Jason Karszes

With the unpredictable cycles in the dairy industry and fluctuations in prices, it is important to continually monitor the performance of your dairy business. The selected graphs depicted below show the average trends and ranges measured in the Dairy Profit Monitor from July 2021 through June 2022 for 41 farms primarily in New York State. The graphs also show the averages for these same farms from July 2020 through June 2021 as a comparison.

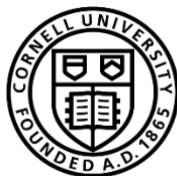
Graph 1 displays milk per cow per day followed a similar trend from July 2020 through June 2022. There was a slight increase in July 2021 from July 2020, then milk per cow decreased in April 2022, and it picked back up in May and June of 2022 to the same level as the previous year.

GRAPH 1

Milk per Cow per Day

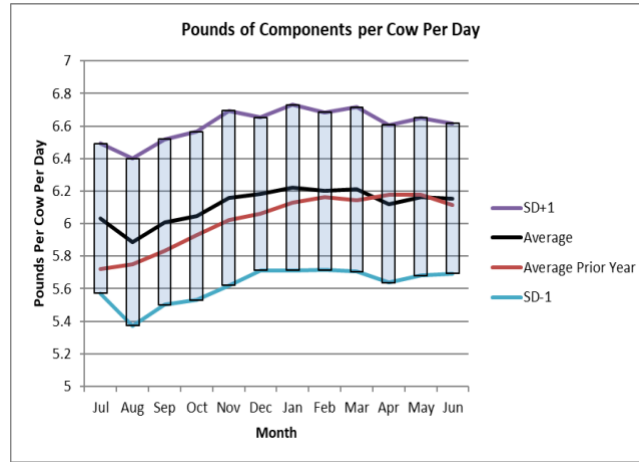


Similarly, to the increase in milk per cow per day, the pounds of components per cow per day in Graph 2 was higher in July 2021 than it was in July 2020. This increase lasted through March 2022 where we see a slight decrease, then from April through June of 2022 it rose to the previous level seen in 2021. The decrease in pounds of components in March 2022 can be attributed to the decrease in milk per cow per day in the same month.



GRAPH 2

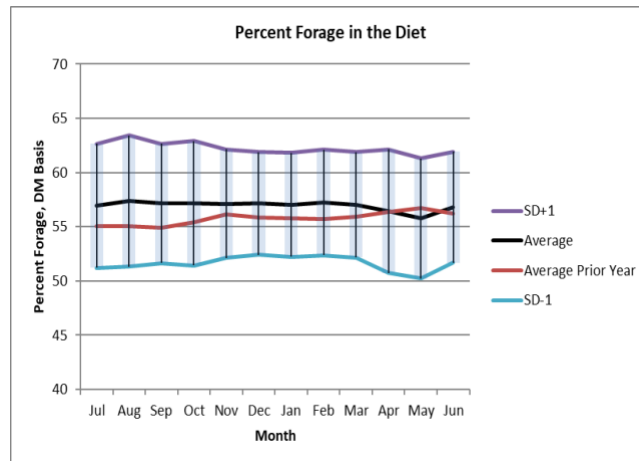
Pounds of Components per Cow per Day



Percent forage in the diet was a bit higher in July of 2021 through March of 2022 than the previous year as seen in Graph 3. From data collected in the Dairy Farm Business Summary for 2021, farms had increased forage yields and inventory with higher quality feeds than the previous year. This increase allowed them to feed higher forage diets. The higher quality forages also supported the increase in milk production.

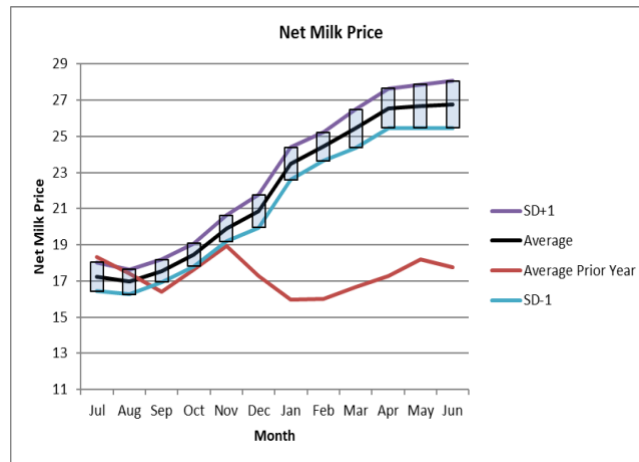
GRAPH 3

Percent Forage in the Diet



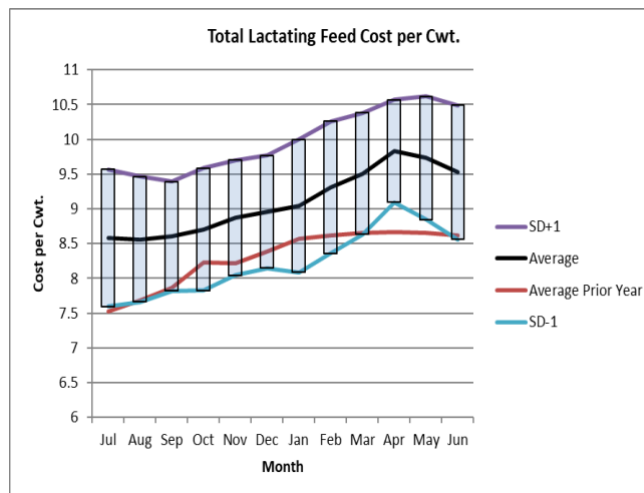
As we know, there was a significant increase in net milk price throughout the end of 2021 into the present. In June 2021, the net milk price averaged \$18.00 per cwt while the average in June 2022 was \$27.00 per cwt. This significant increase attributed to an increase in net milk income over total feed costs per cow.

GRAPH 4
Net Milk Price



The increase in net milk price was followed by an increase in total lactating feed cost per cwt shown in Graph 5. The average lactating feed cost was about \$7.50 per cwt in July 2021 and increased over \$1.00 to over \$8.50 per cwt in July 2022. This increase has lasted through June of 2022. The increase in net milk price offsets the increase in feed cost.

GRAPH 5
Total Lactating Feed Cost per Cwt

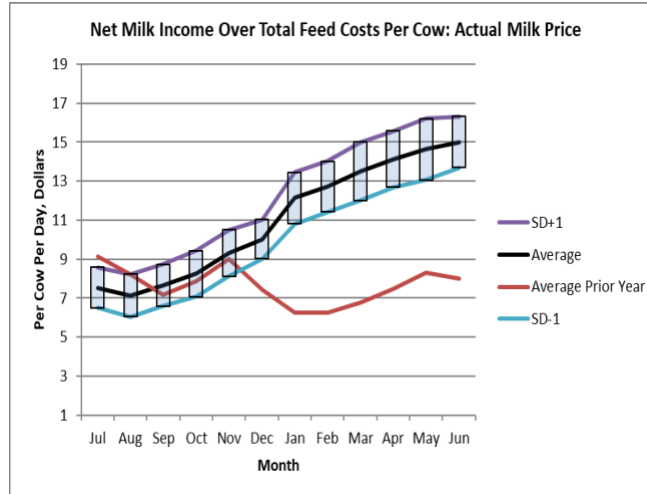


As previously mentioned, the net milk income over total feed costs per cow per day increased exponentially from November 2021 through June 2022 from the previous year. Net milk income over total feed costs measures the amount of money left over to cover all other farm expenses after feed is paid for. NMIOTFC per cow per day is calculated by taking the gross milk payment and subtracting the marketing and hauling expense and subtracting 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.

GRAPH 6

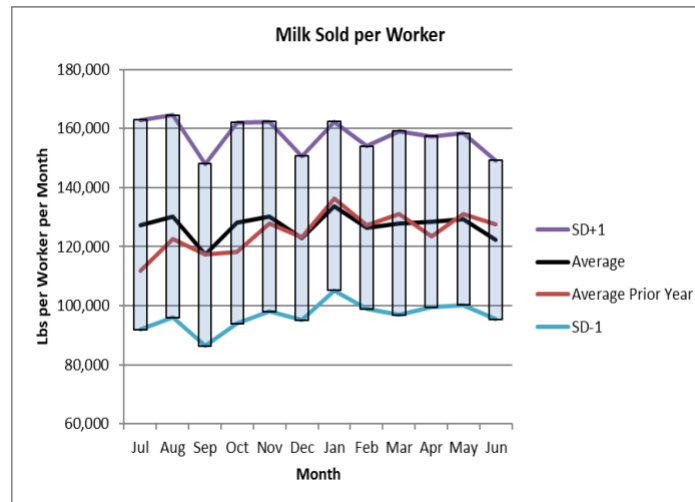
Net Milk Income Over Total Feed Costs Per Cow: Actual Milk Price



As labor costs continue to increase in NY, labor efficiency measured by milk sold per worker followed the same average trend from the previous 12 months, showing no improvements displayed in Graph 7.

GRAPH 7

Milk Sold per Worker



With increases in inflation, it is especially important to track your farm business’s performance from month to month. The 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.