

# **Dairy Market Outlook**

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**Southern Extension Outlook Conference  
Atlanta, GA**

**September 21, 2015**

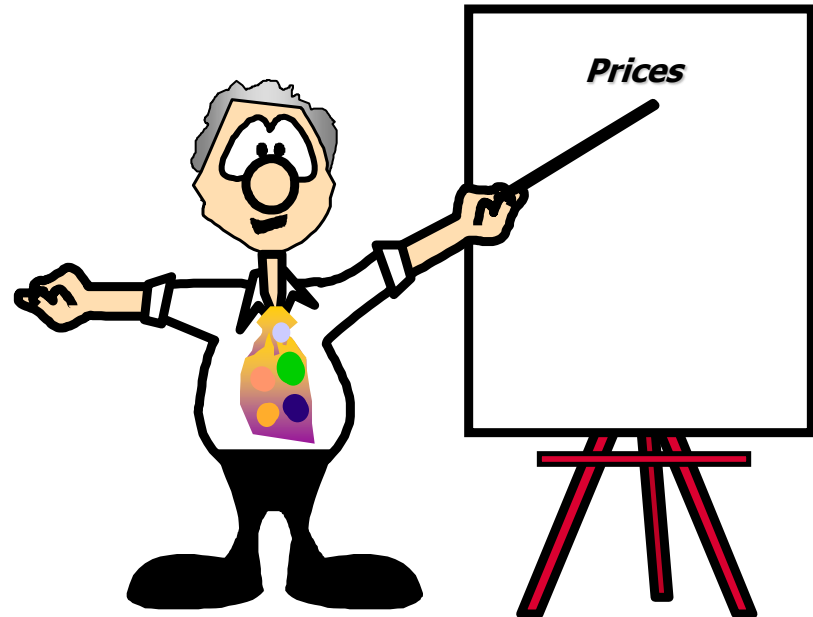
**David P. Anderson  
Professor and Extension Economist**

**TEXAS A&M  
AGRI LIFE  
EXTENSION**

# Overview

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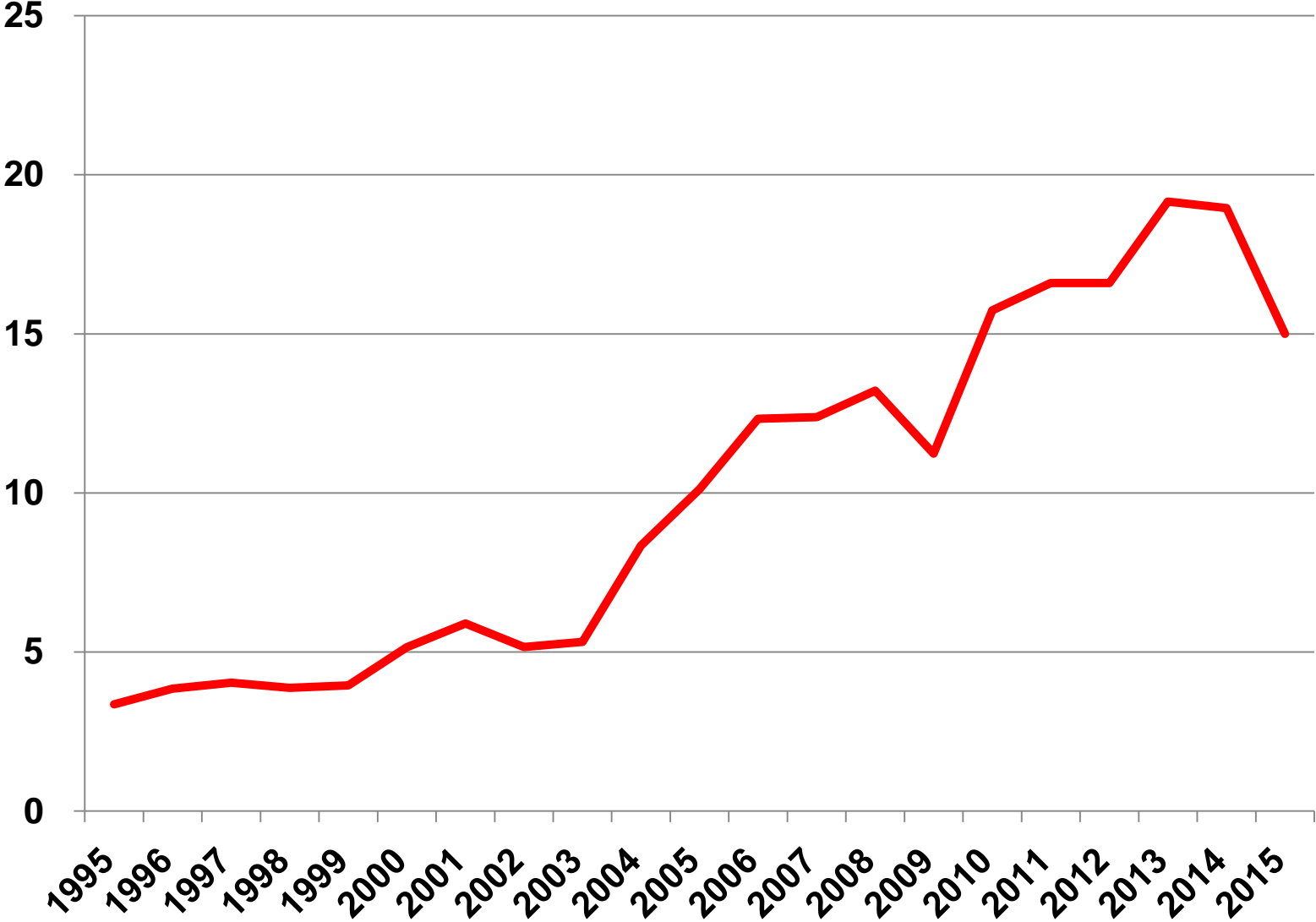
- Trade
- Production
- Demand



# Trade

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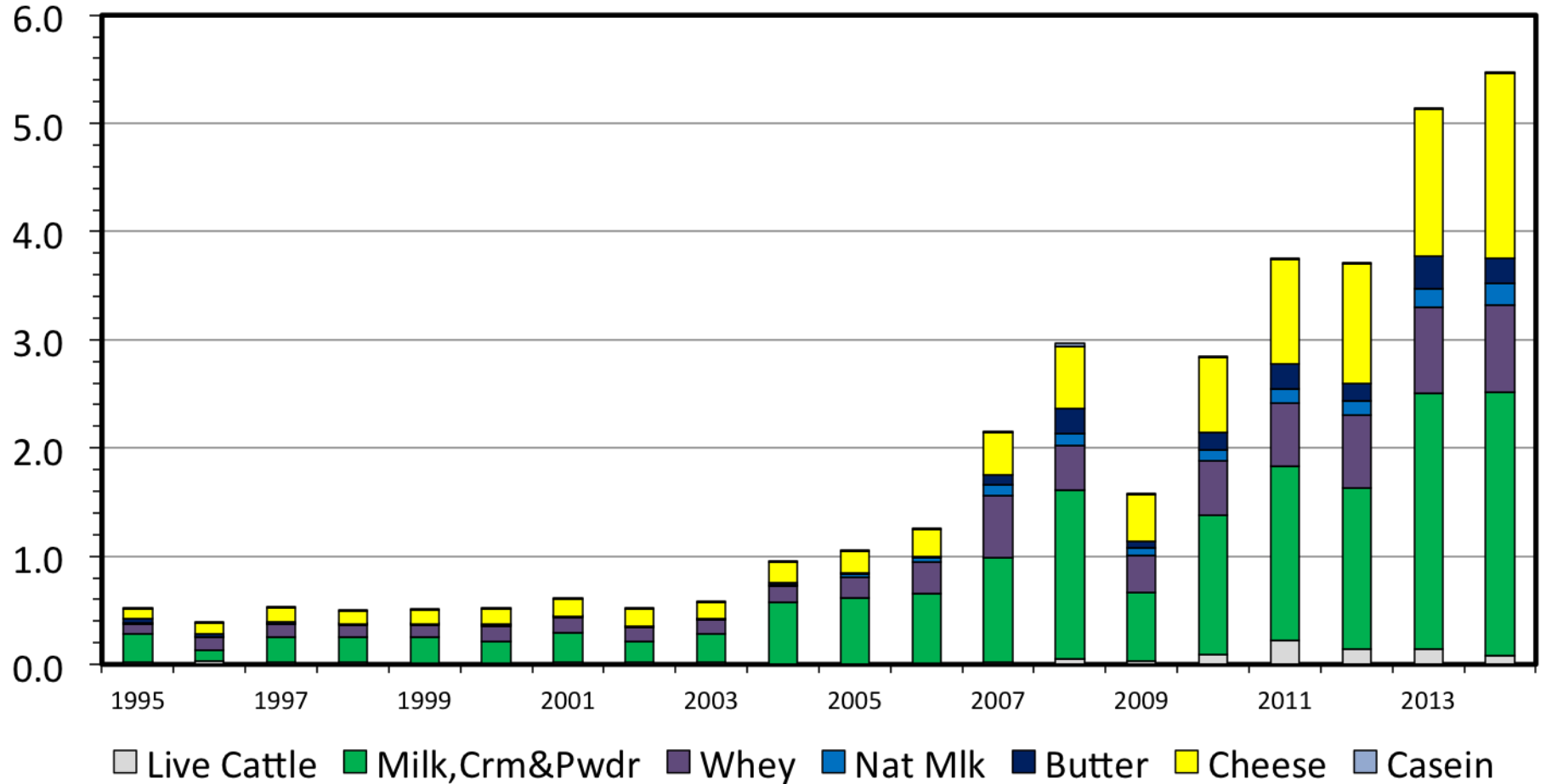
# EXPORTS AS A PERCENT OF PRODUCTION



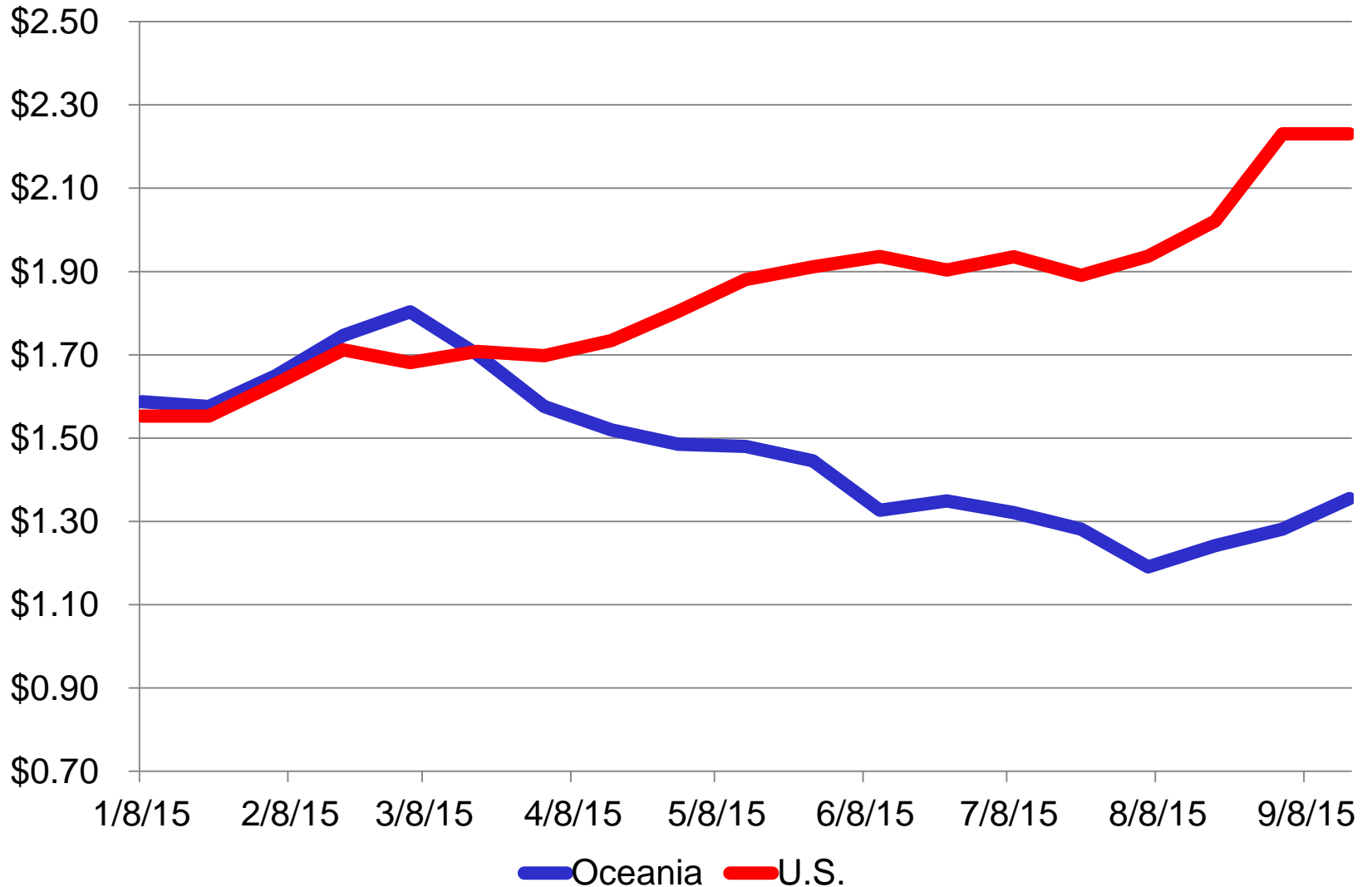
# US DAIRY INDUSTRY EXPORT VALUES

Annual

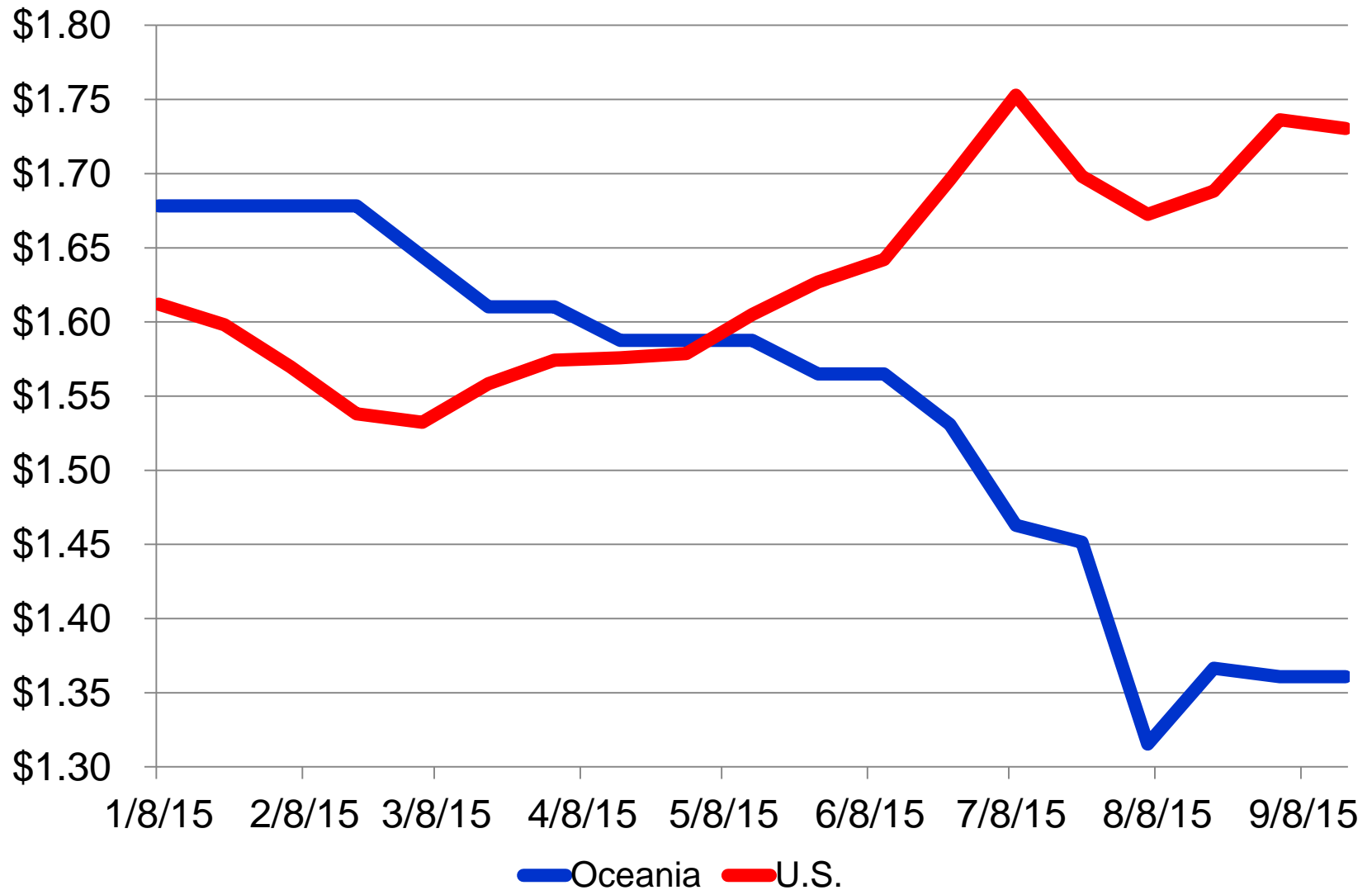
Bil. \$



# OCEANIA AND U.S. BUTTER PRICES



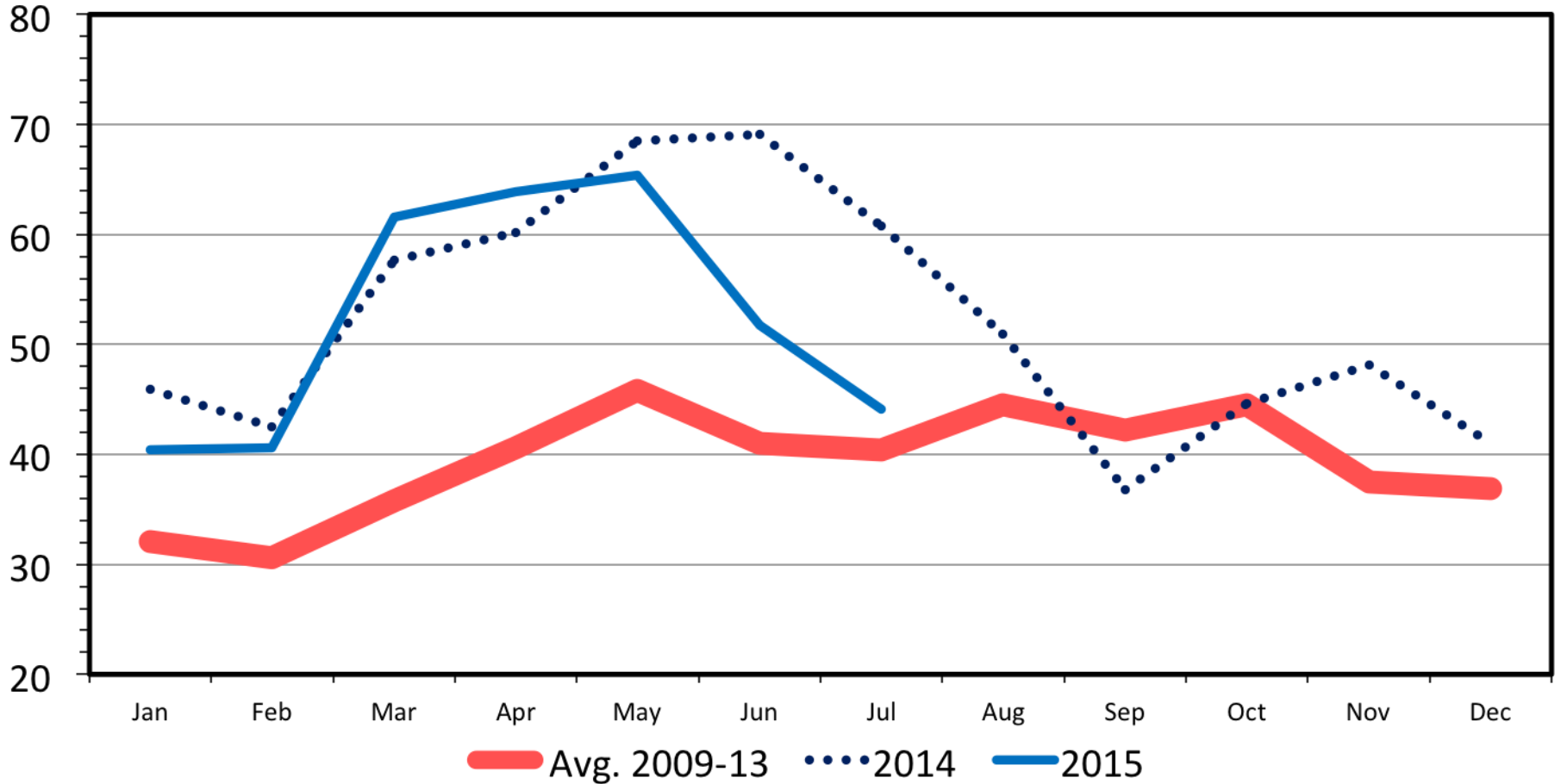
# OCEANIA AND U.S. CHEESE PRICES



# MILK AND CREAM EXPORTS

Concentrated or Sweetened, Monthly

1000 MT



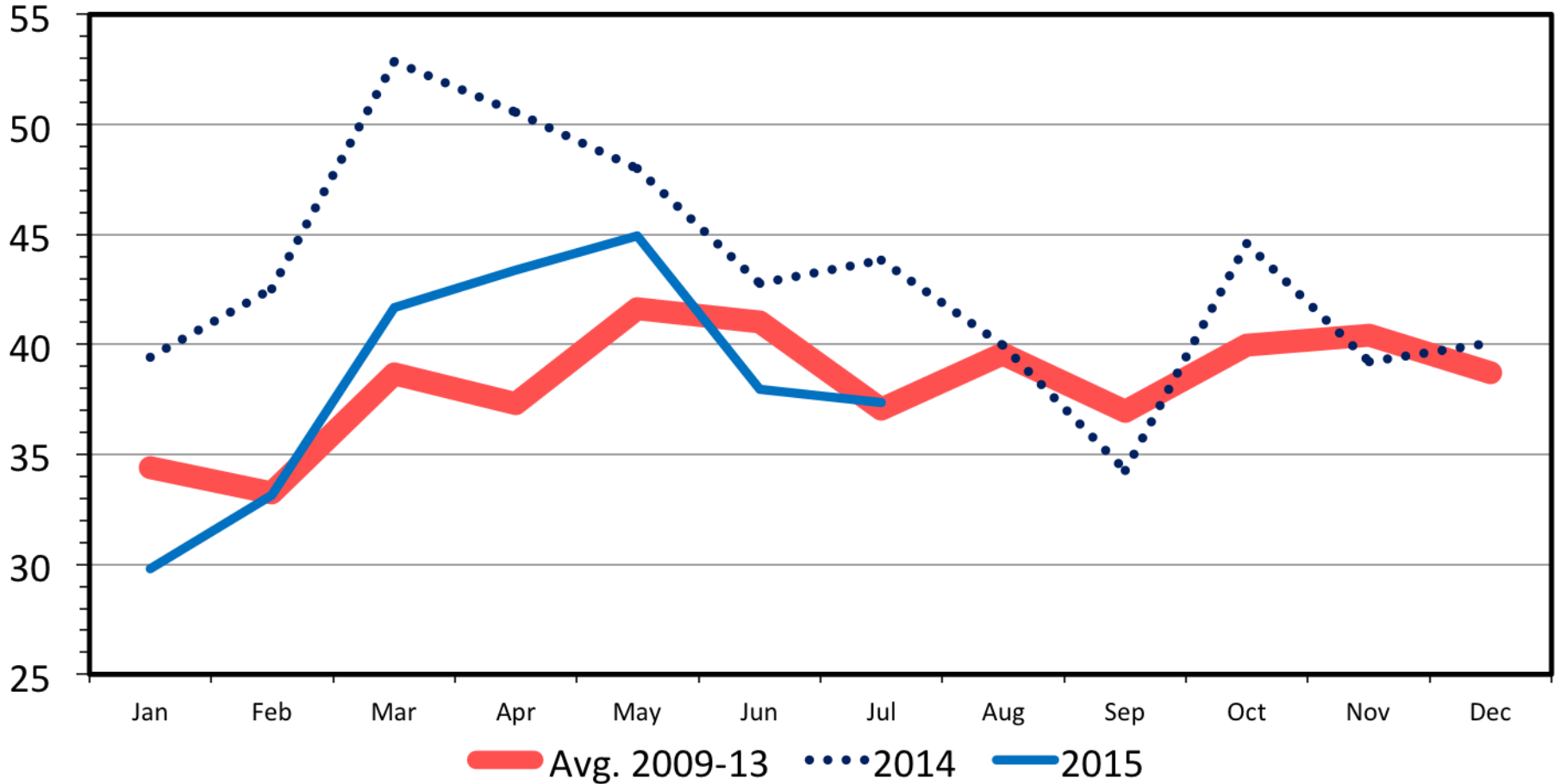
Data Source: USDA-FAS  
Livestock Marketing Information Center



# WHEY AND NATURAL MILK EXPORTS

Monthly

1000 MT

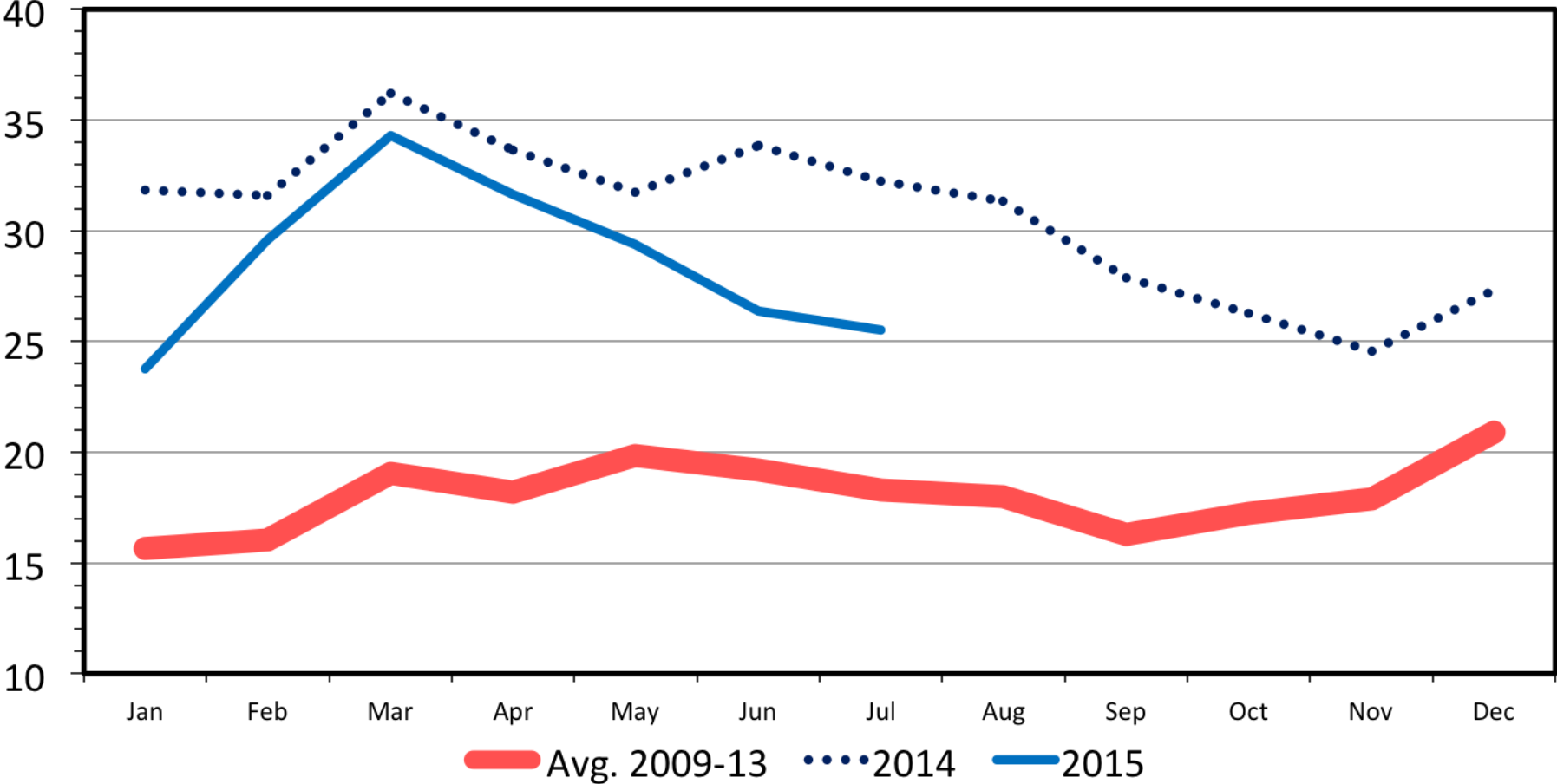


**Data Source: USDA-FAS  
Livestock Marketing Information Center**

# CHEESE AND CURD EXPORTS

Monthly

1000 MT



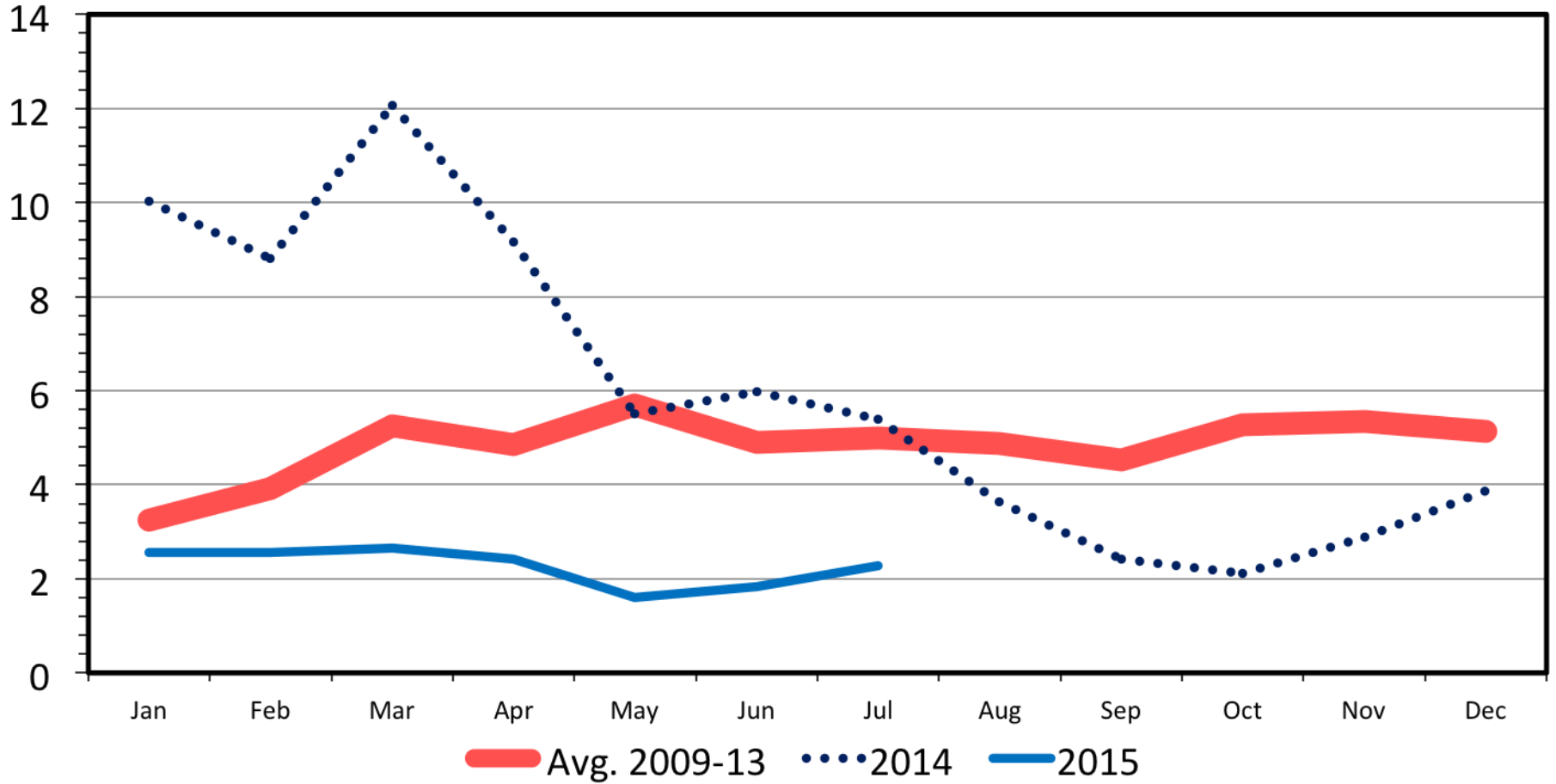
Data Source: USDA-FAS

Livestock Marketing Information Center

# BUTTER AND OIL EXPORTS

Monthly

1000 MT

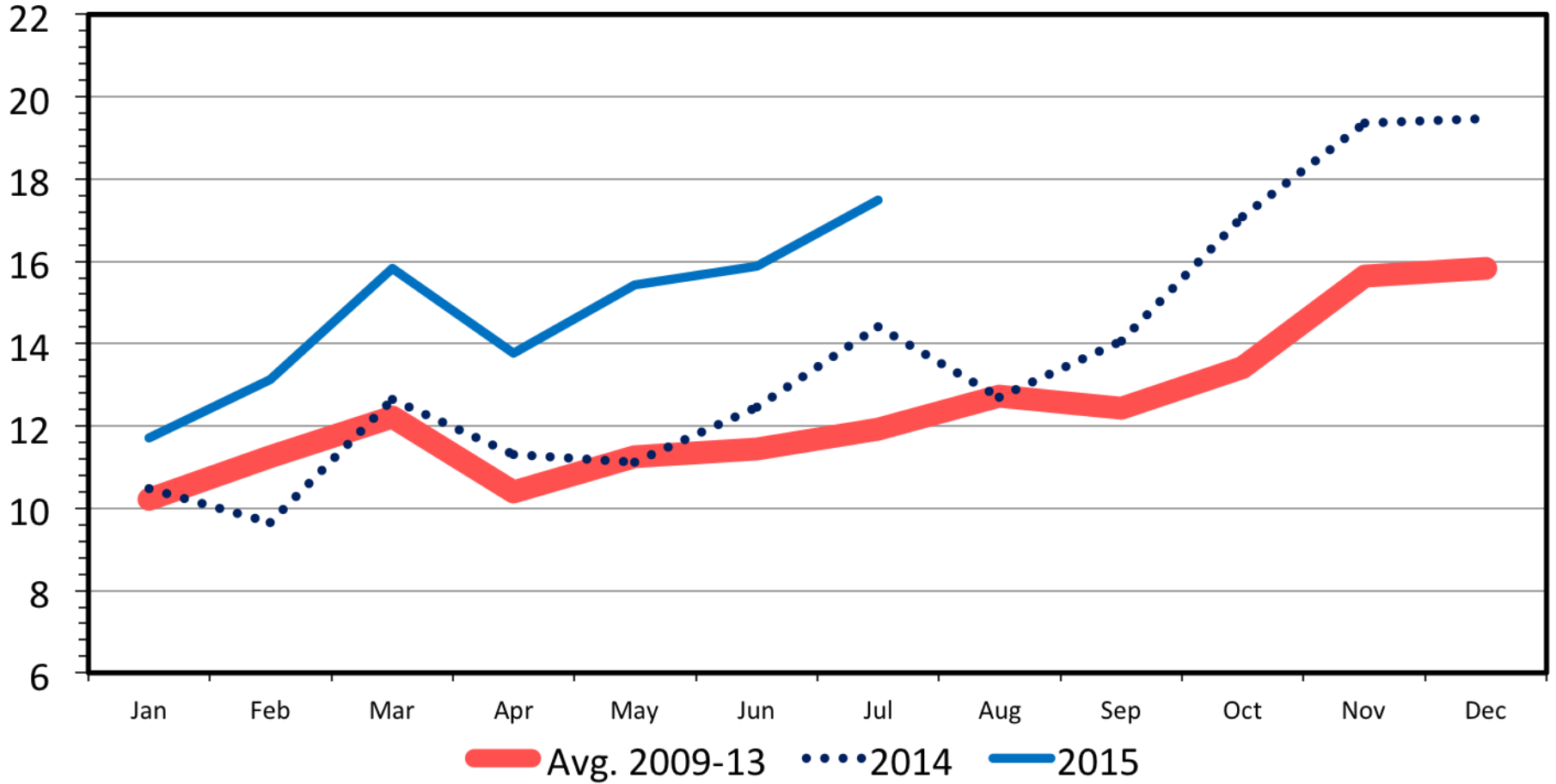


Data Source: USDA-FAS  
Livestock Marketing Information Center

# CHEESE AND CURD IMPORTS

Monthly

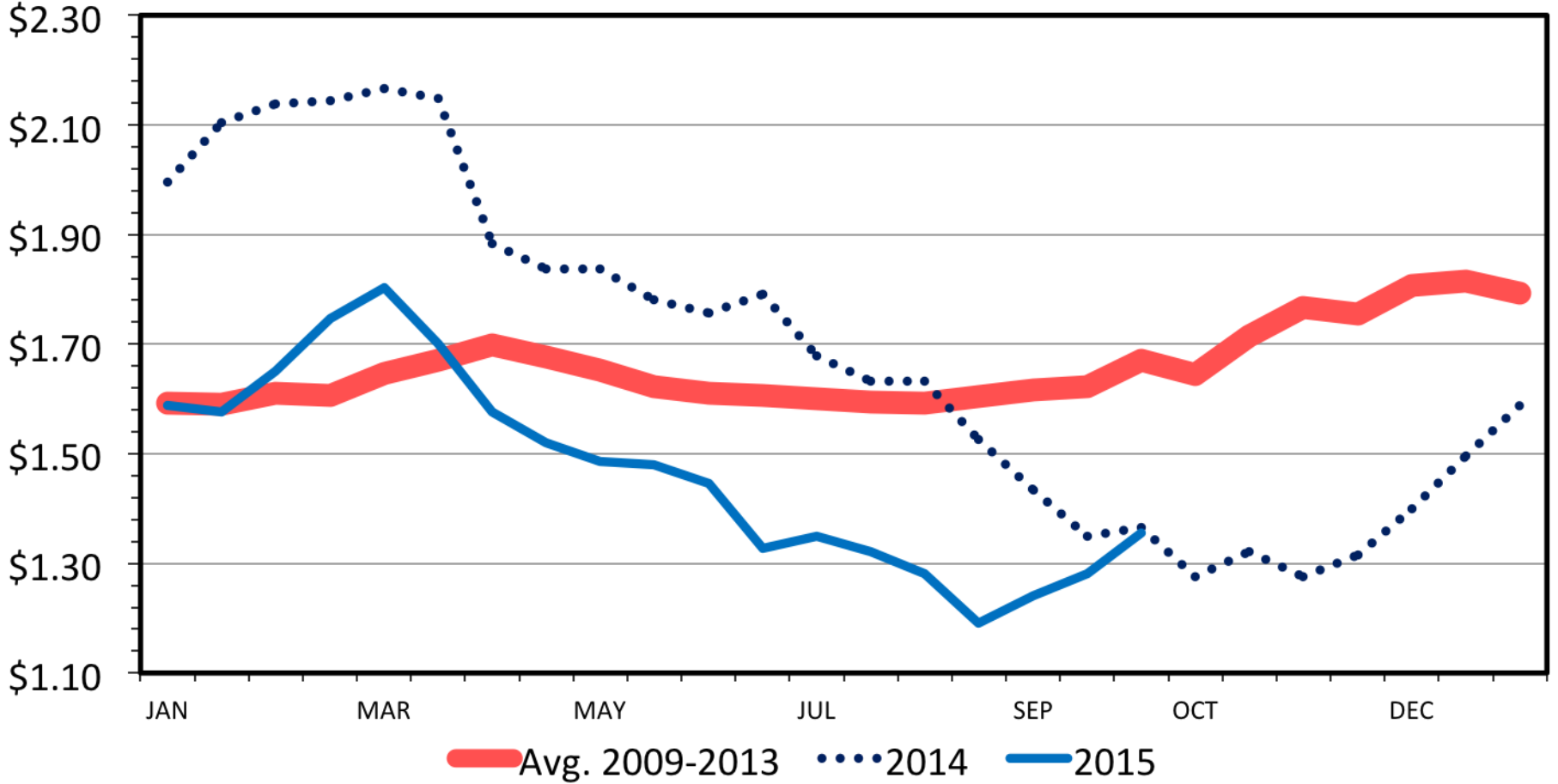
1000 MT



# OCEANIA BUTTER

Biweekly

\$ per lb

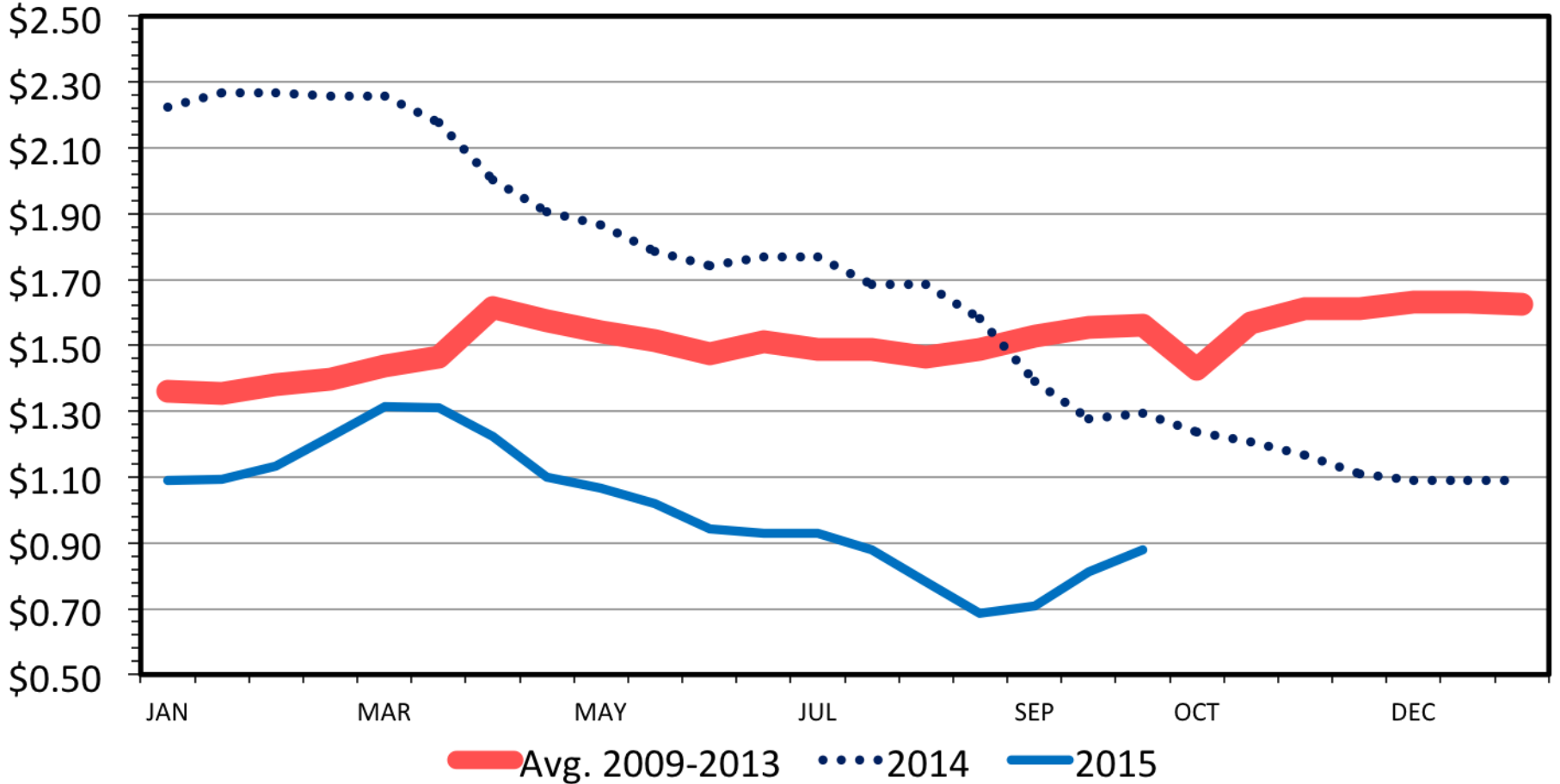


Data Source: USDA-AMS  
Livestock Marketing Information Center

# OCEANIA SKIM MILK POWDER

Biweekly

\$ per lb



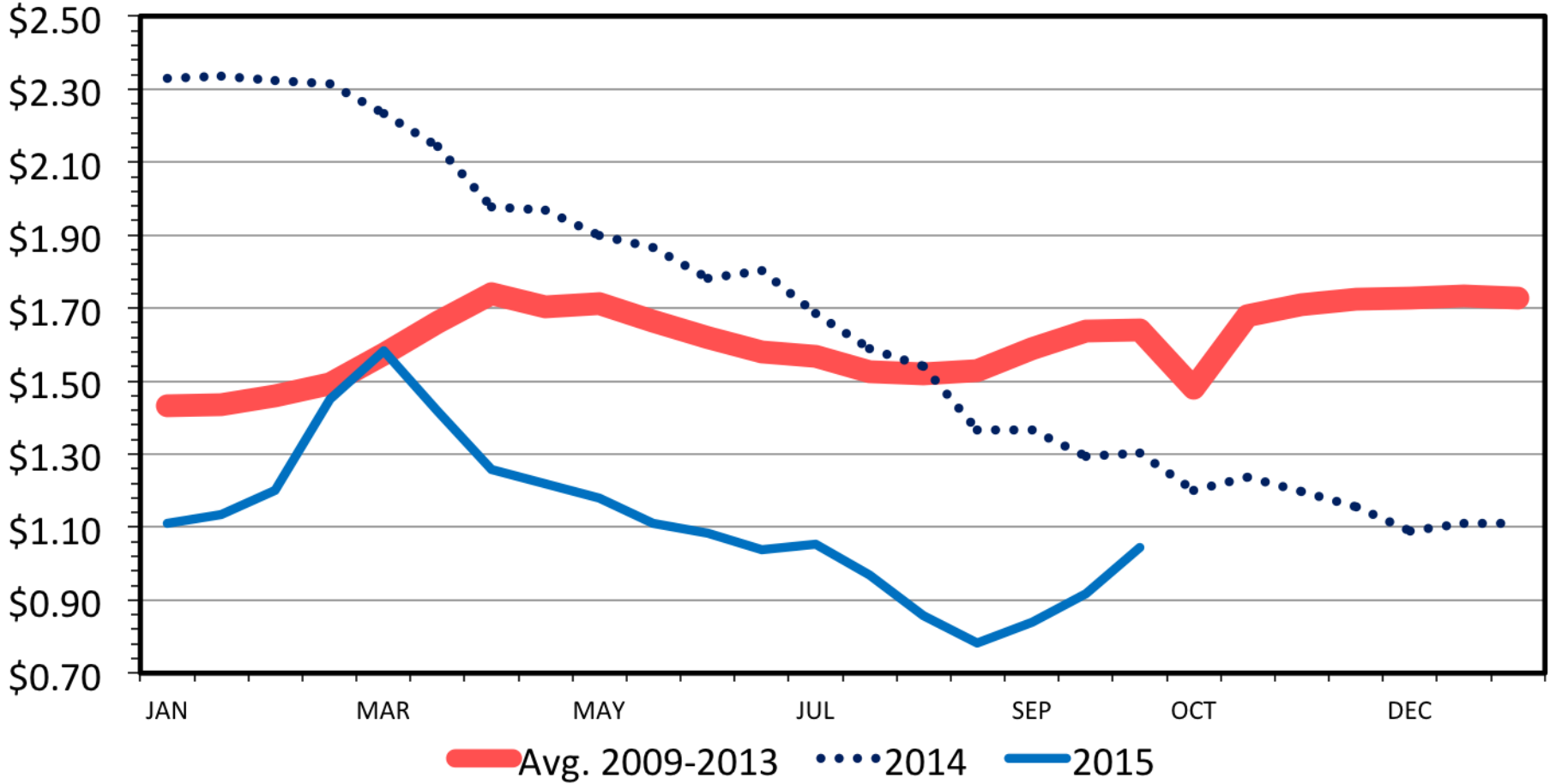
Data Source: USDA-AMS

Livestock Marketing Information Center

# OCEANIA WHOLE MILK POWDER

Biweekly

\$ per lb

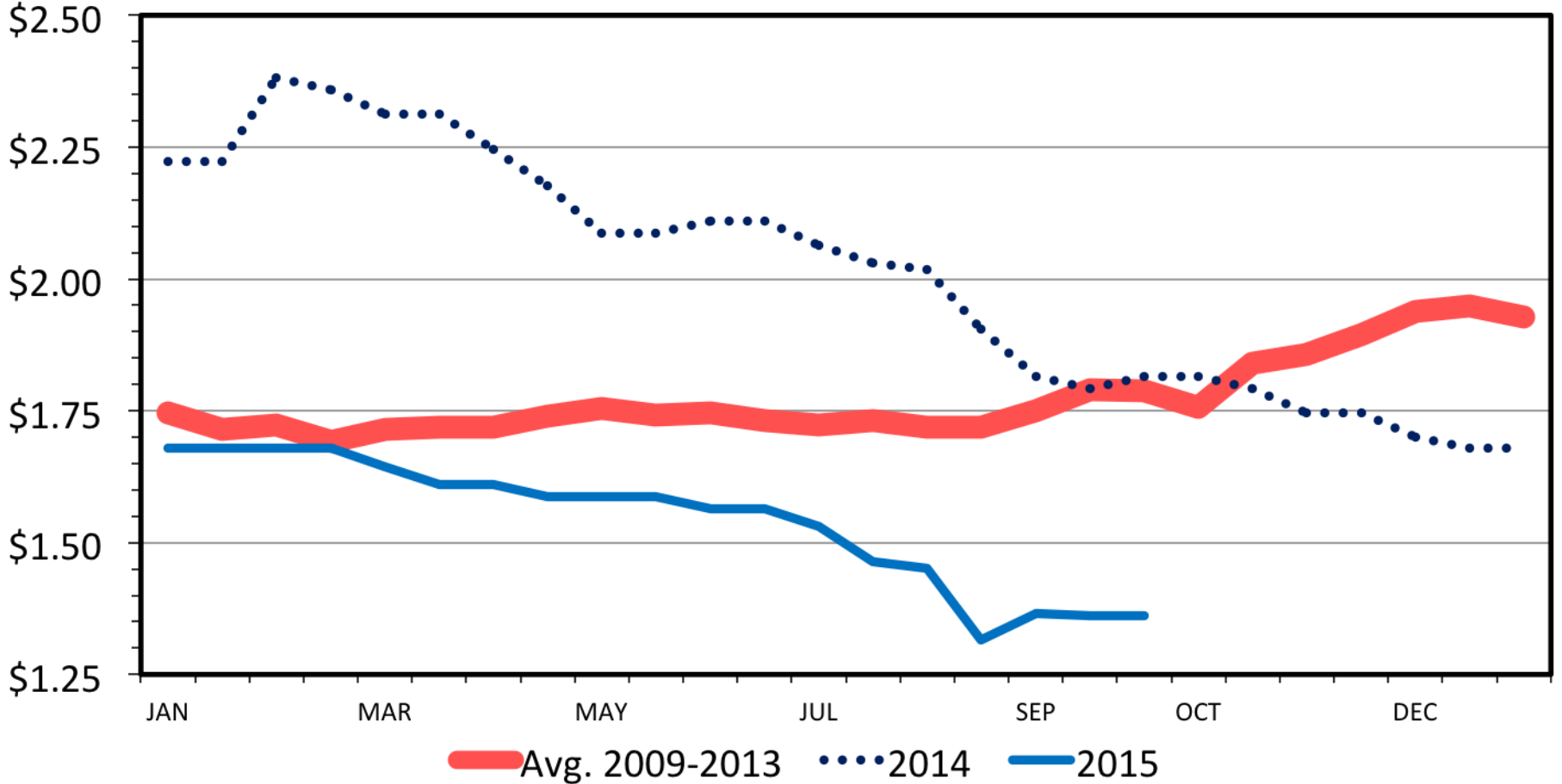


Data Source: USDA-AMS  
Livestock Marketing Information Center

# OCEANIA CHEDDAR CHEESE

Biweekly

\$ per lb



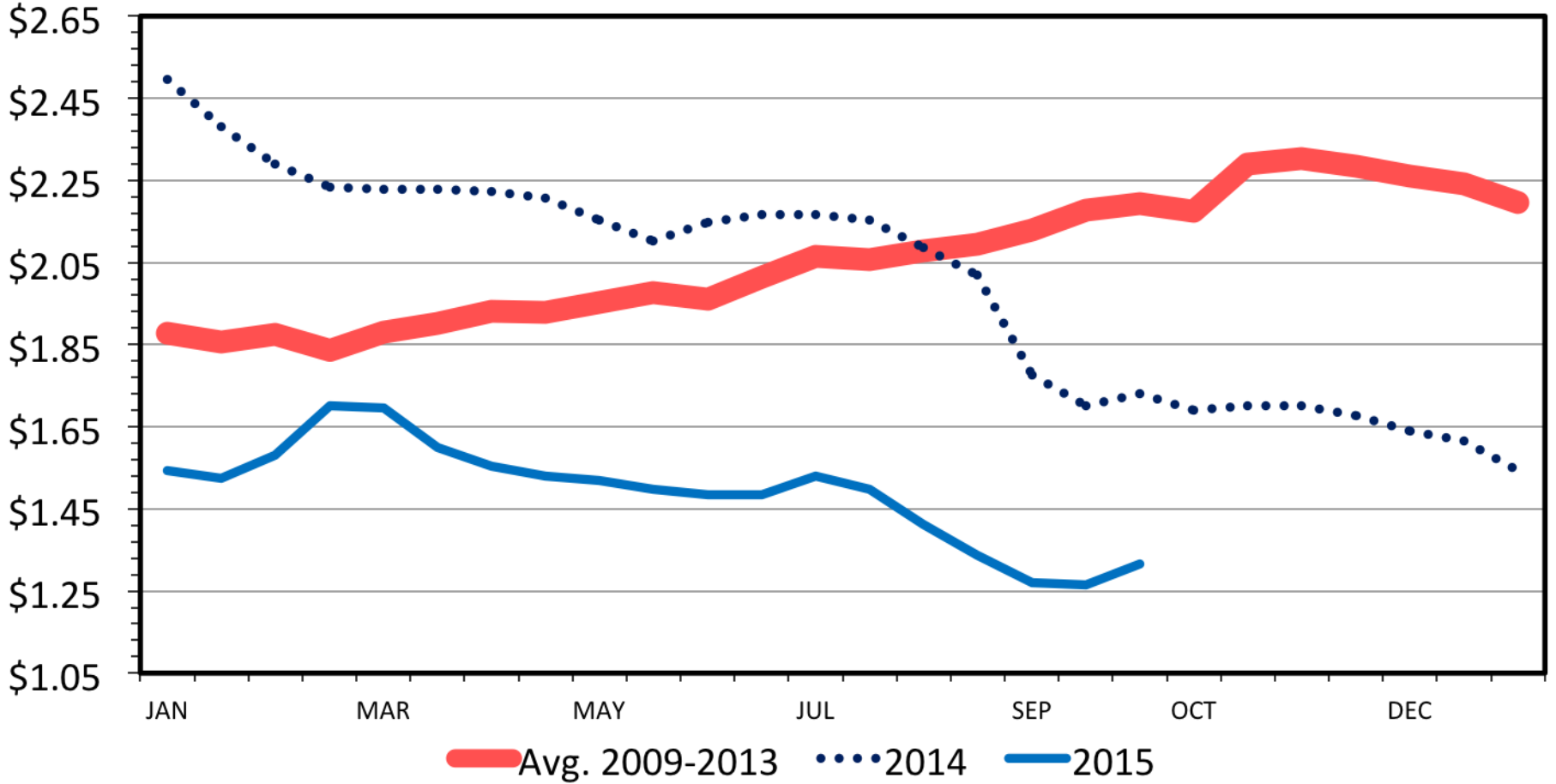
Data Source: USDA-AMS  
Livestock Marketing Information Center



# EUROPE BUTTER

Biweekly

\$ per lb

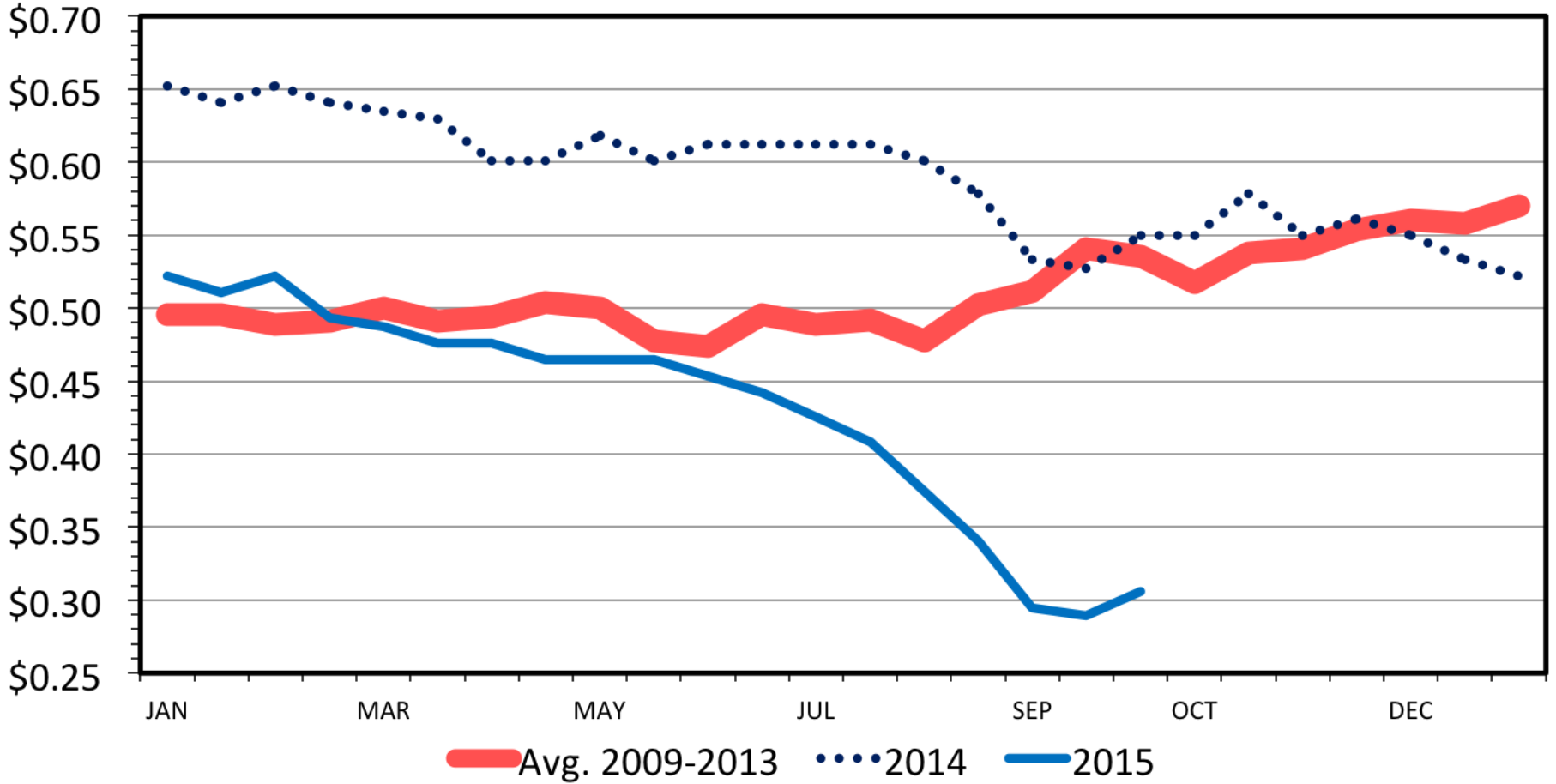


Data Source: USDA-AMS  
Livestock Marketing Information Center

# EUROPE WHEY POWDER

Biweekly

\$ per lb



Data Source: USDA-AMS

Livestock Marketing Information Center

# Big Trade Issues

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- New Zealand, Australia Drought
- China Slowdown
- Russia, Ukraine
- Strong Dollar

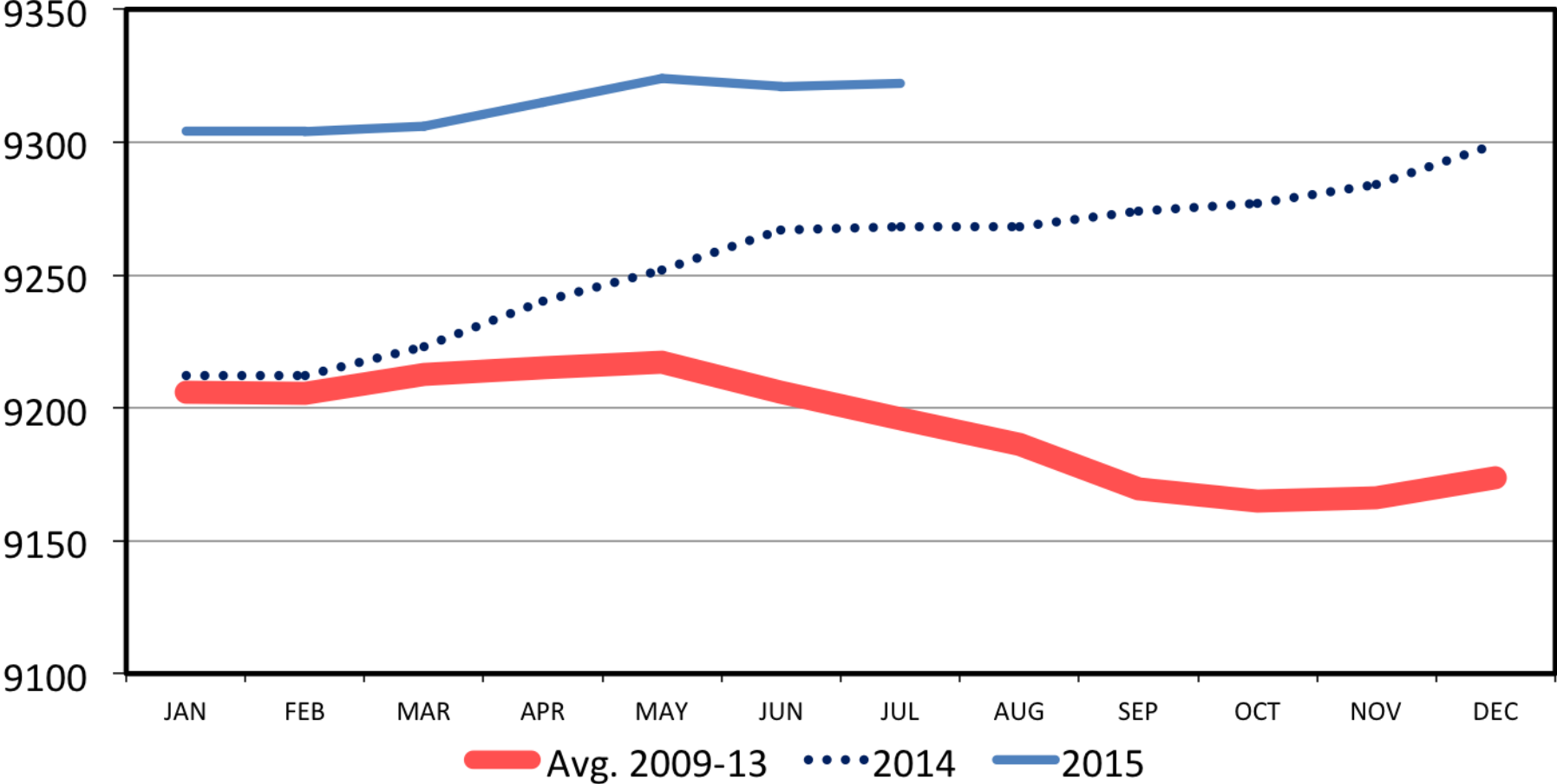
# Production

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# DAIRY COW INVENTORY

US Total, Monthly

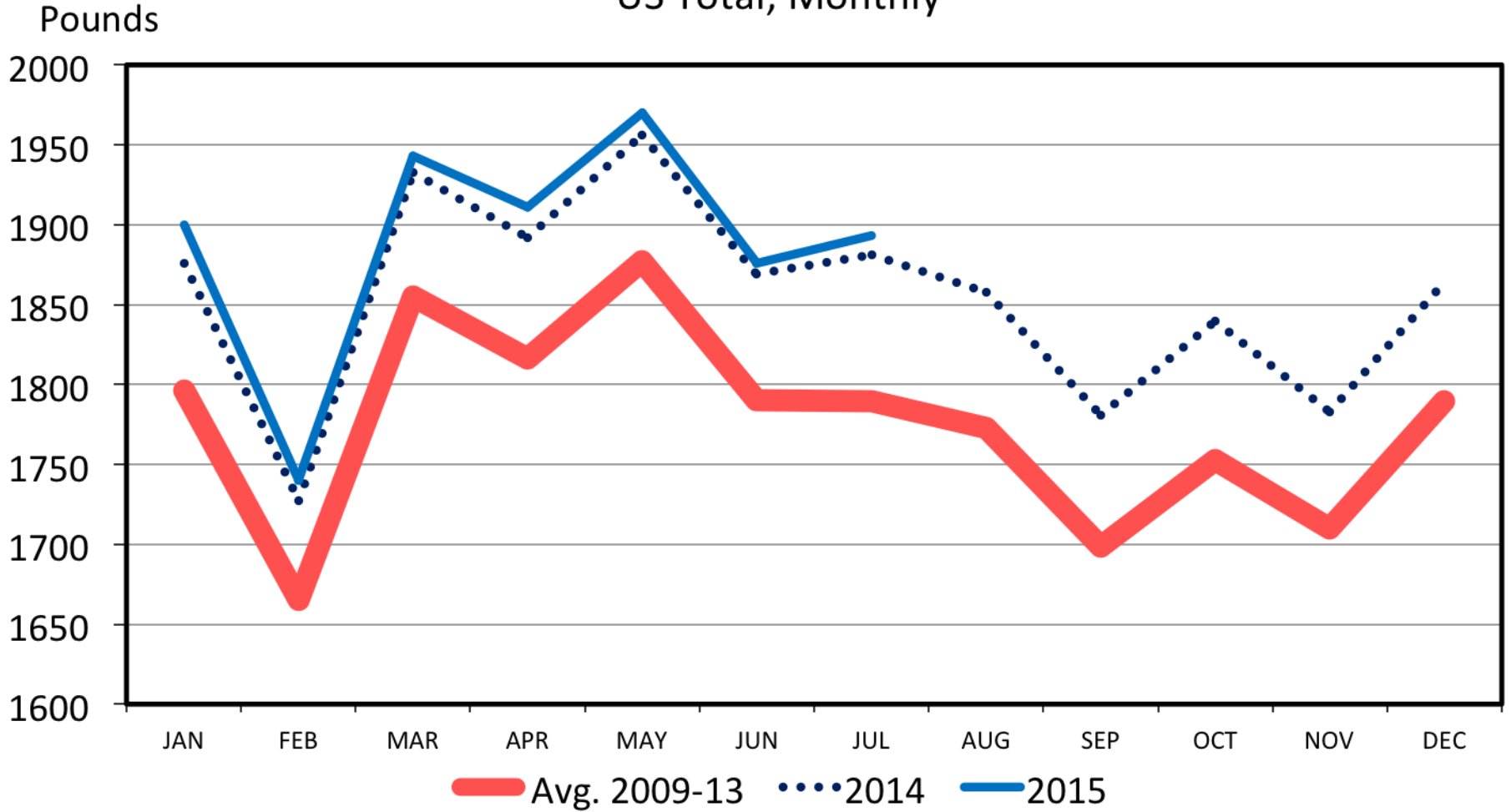
Thou. Head



Data Source: USDA-NASS  
Livestock Marketing Information Center

# MILK PRODUCED PER COW

## US Total, Monthly

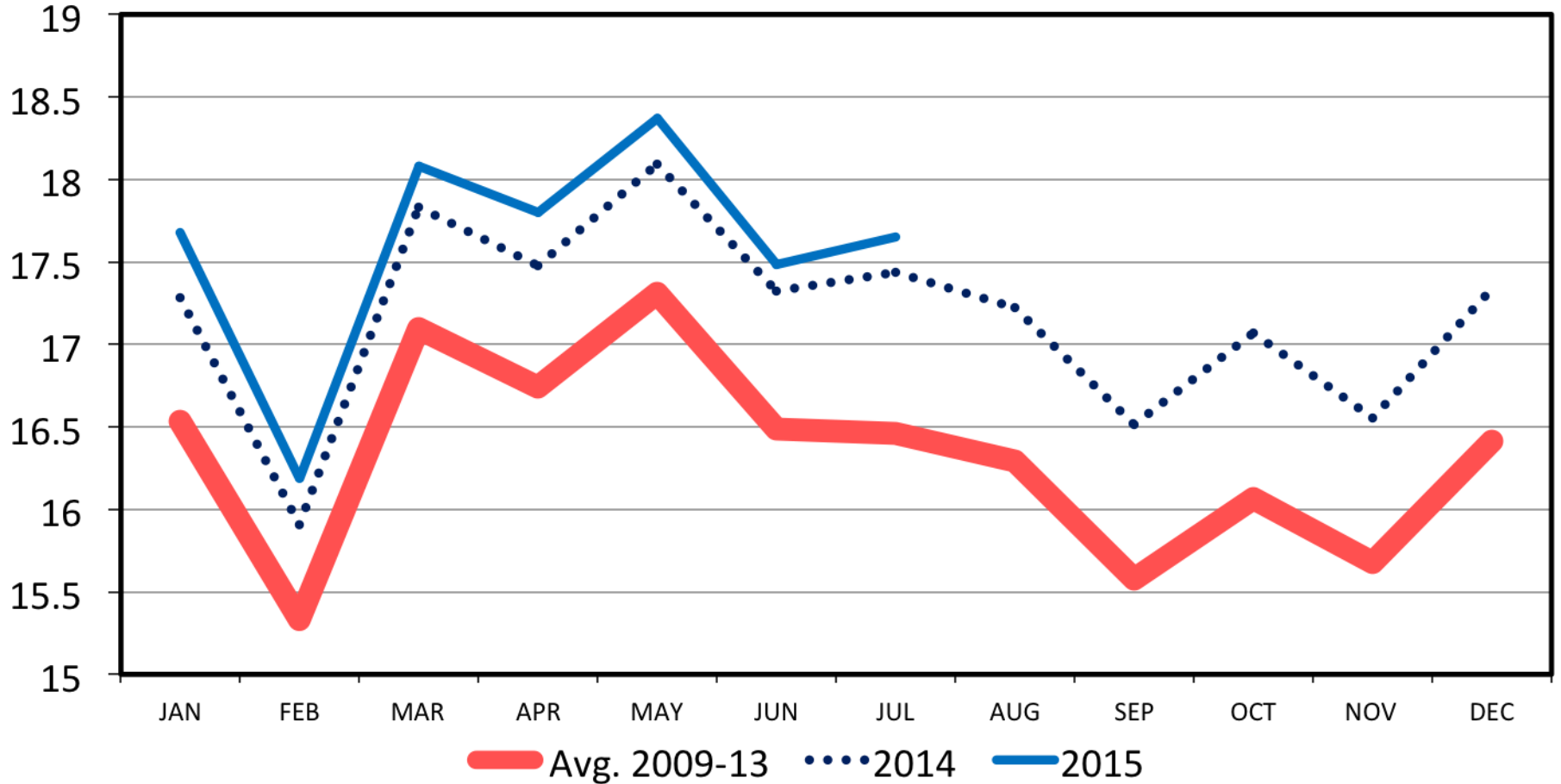


Data Source: USDA-NASS  
Livestock Marketing Information Center

# MILK PRODUCTION

## US Total, Monthly

Bil. Pounds

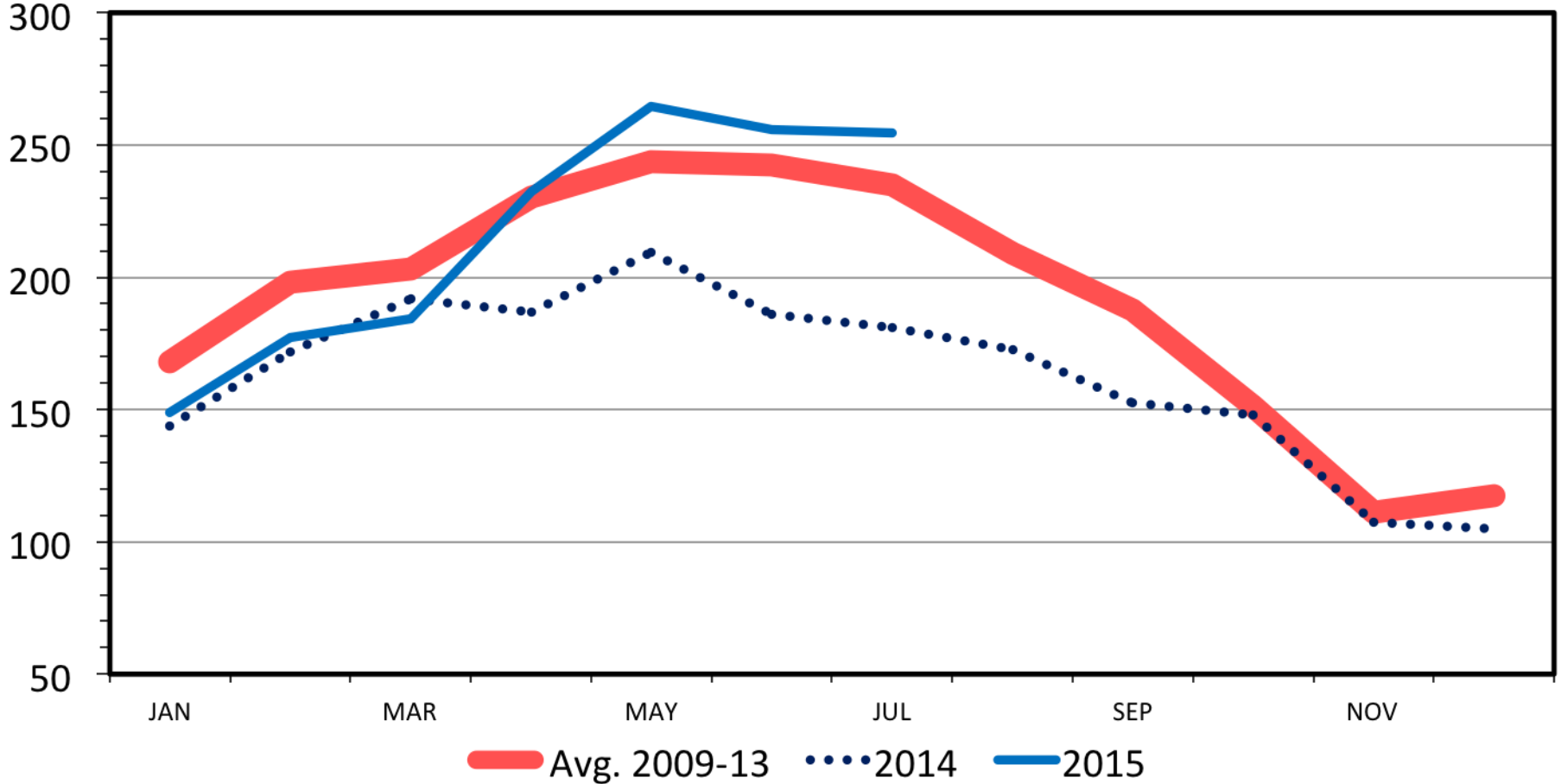


**Data Source: USDA-NASS**  
**Livestock Marketing Information Center**

# BUTTER IN COLD STORAGE

End of the Month

Mil. Pounds



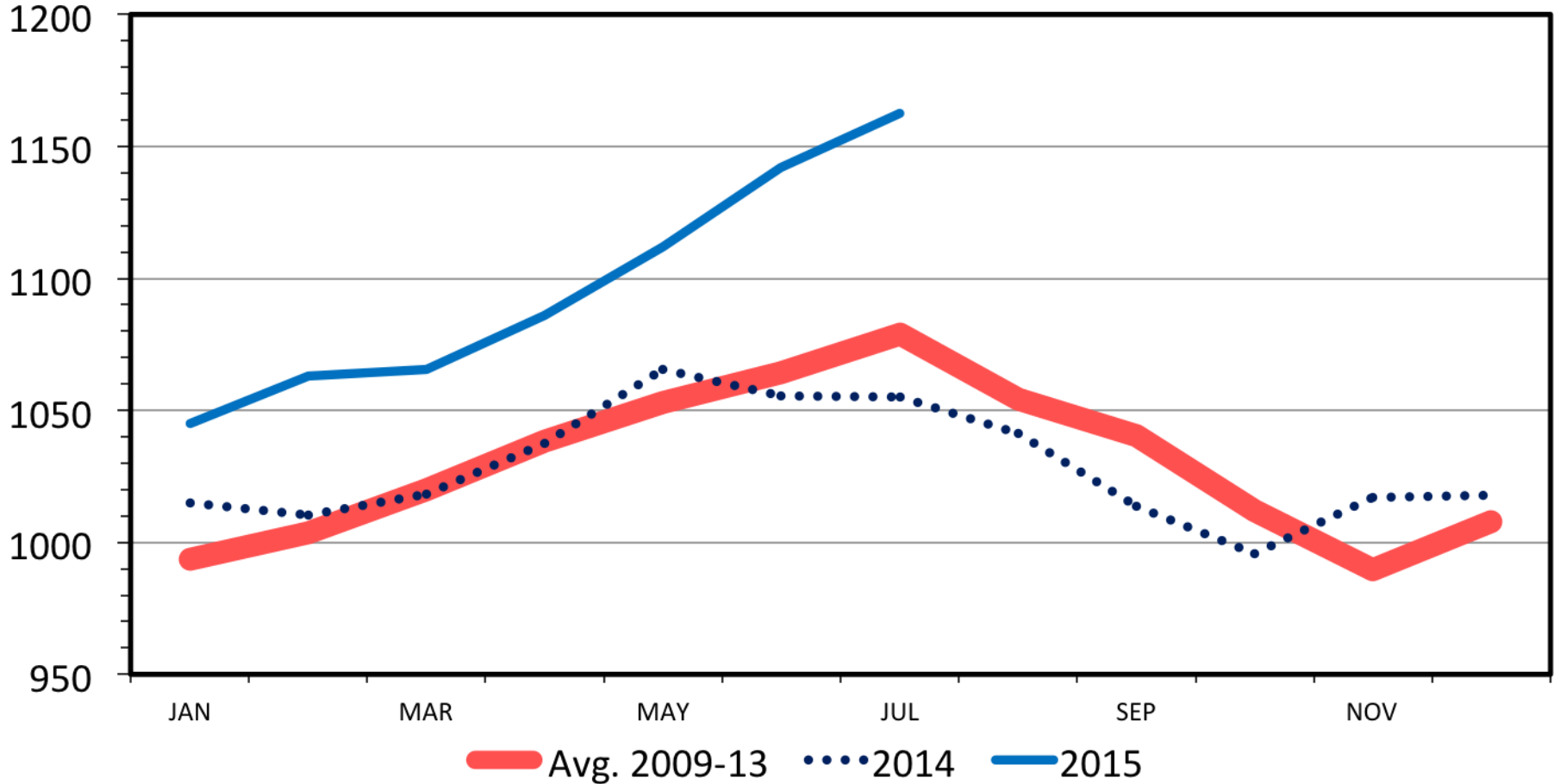
Data Source: USDA/NASS  
Livestock Marketing Information Center



# TOTAL CHEESE IN COLD STORAGE

End of the Month

Mil. Pounds



Data Source: USDA/NASS

Livestock Marketing Information Center

# Big Issues

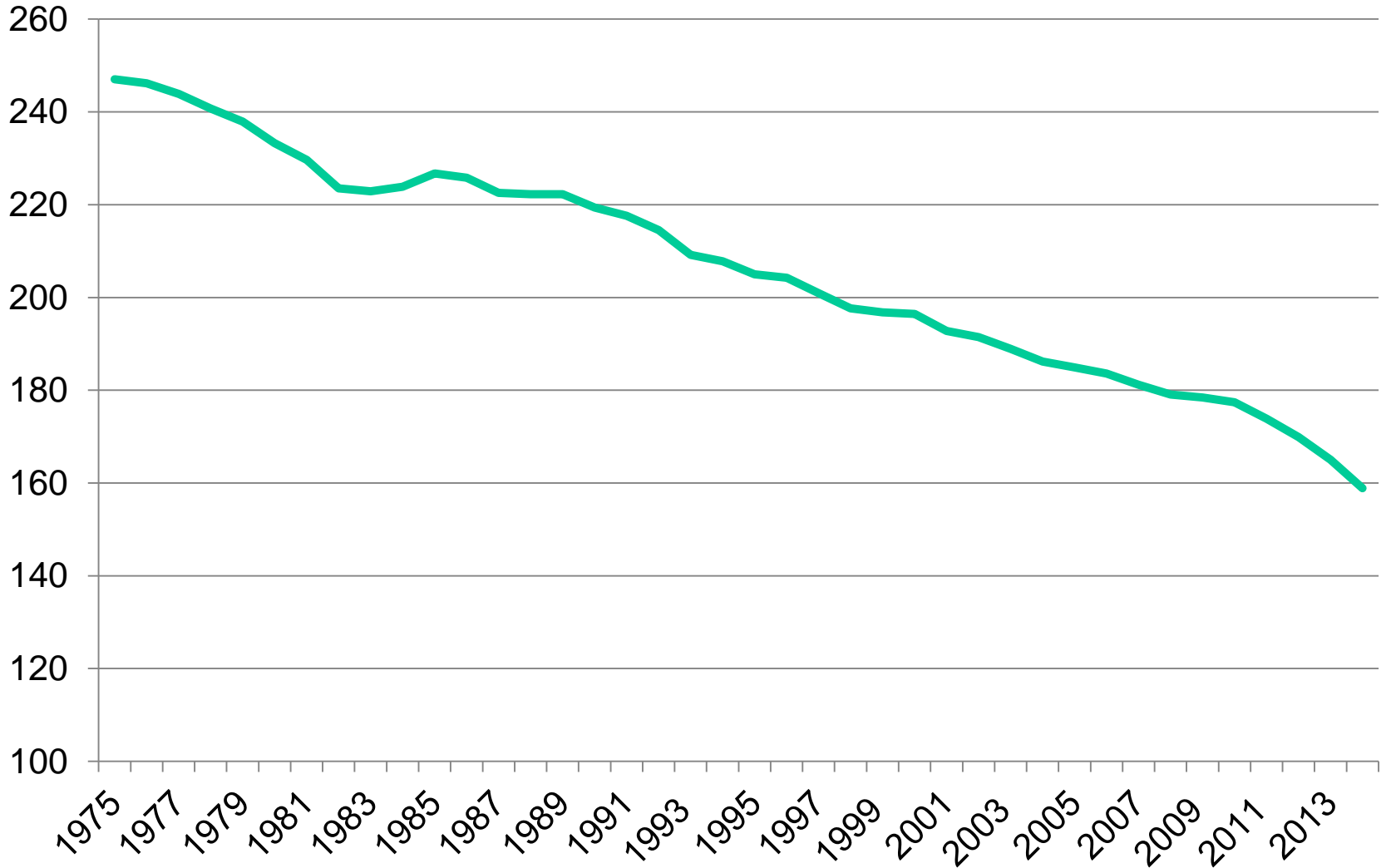
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- Supply Response to Lower Prices
  - Profitable
  - Cheaper feed
- World Production
  - E.U.

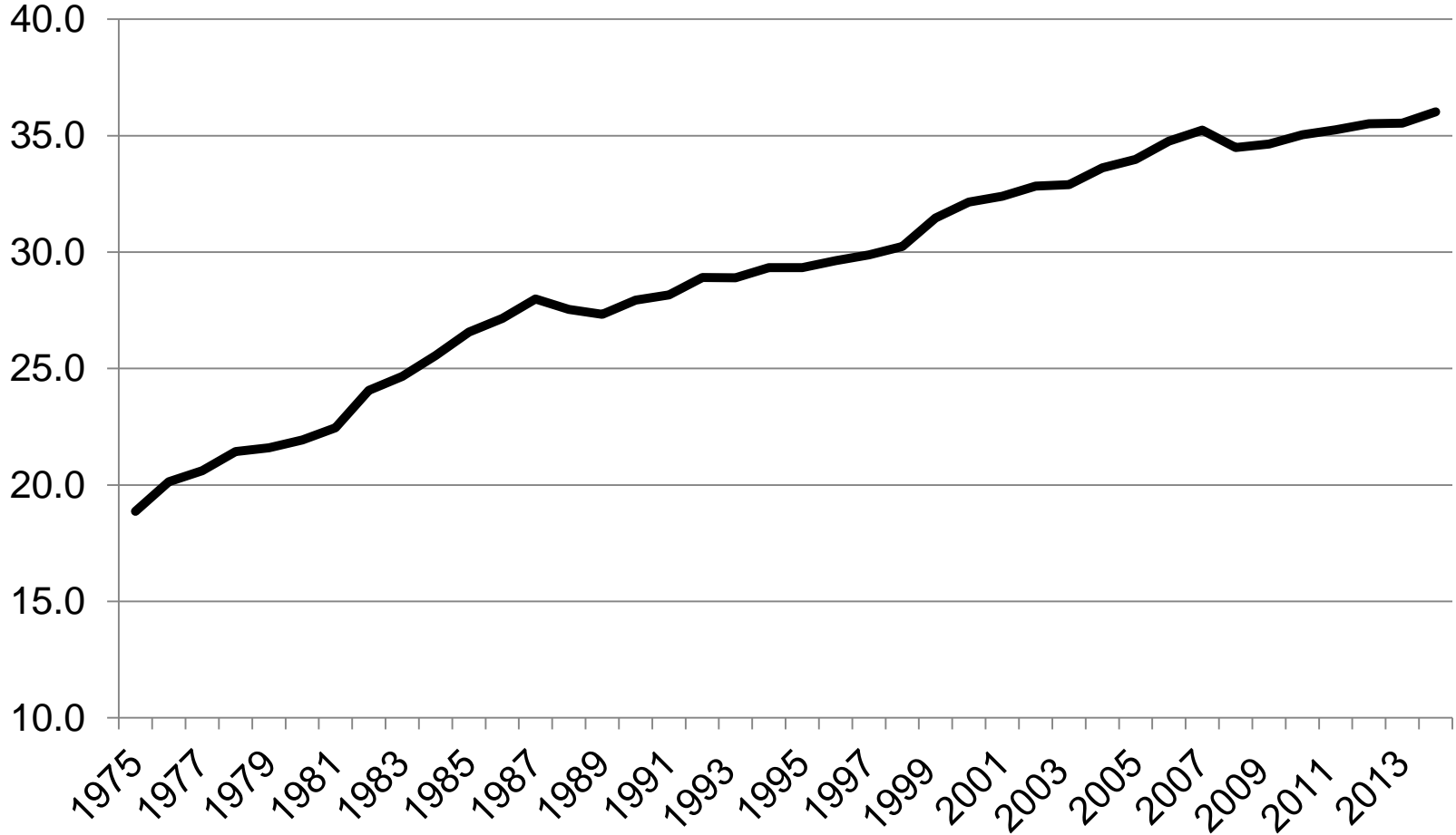
# Demand

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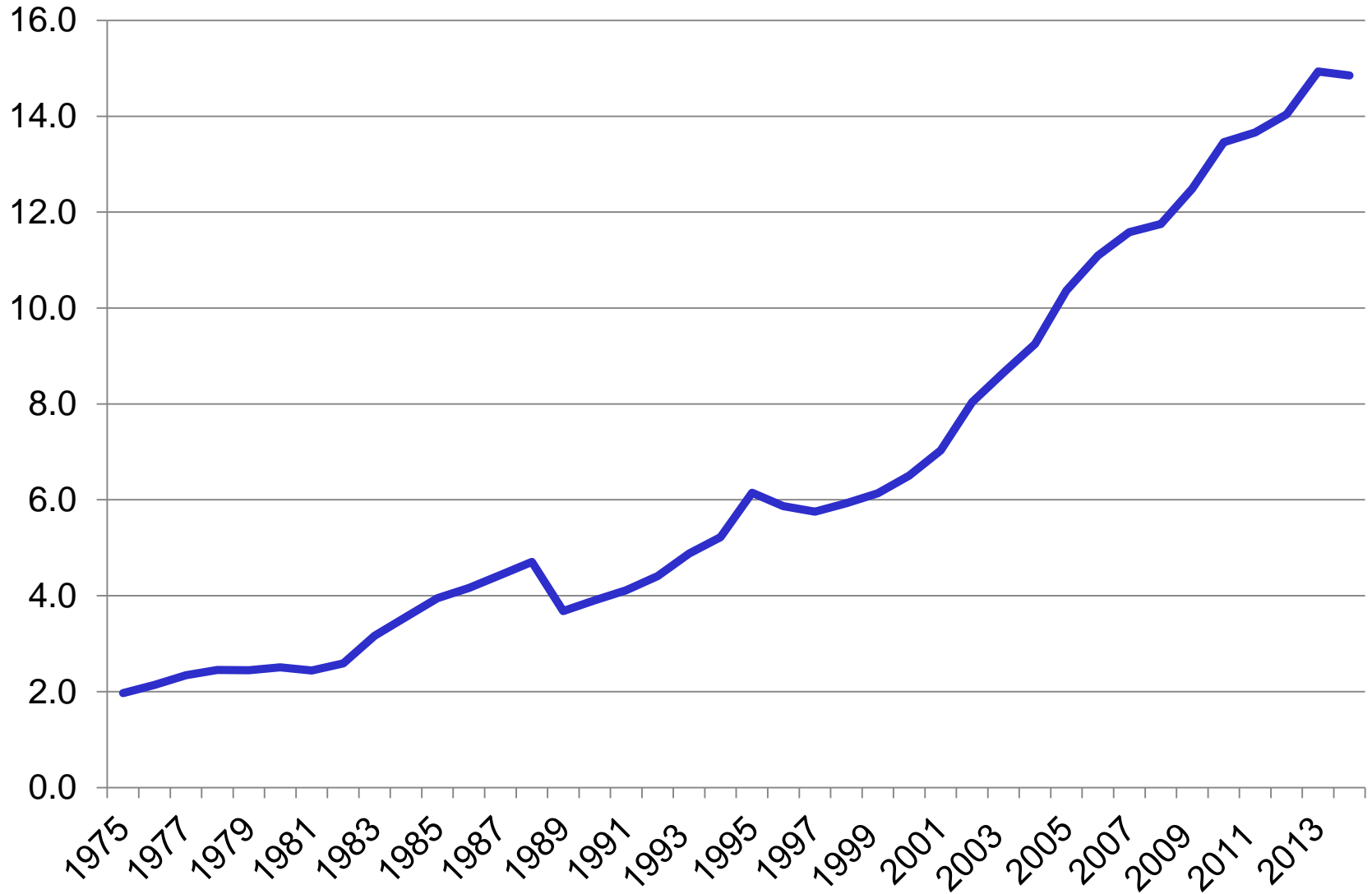
# Milk Per Capita Consumption, Lbs



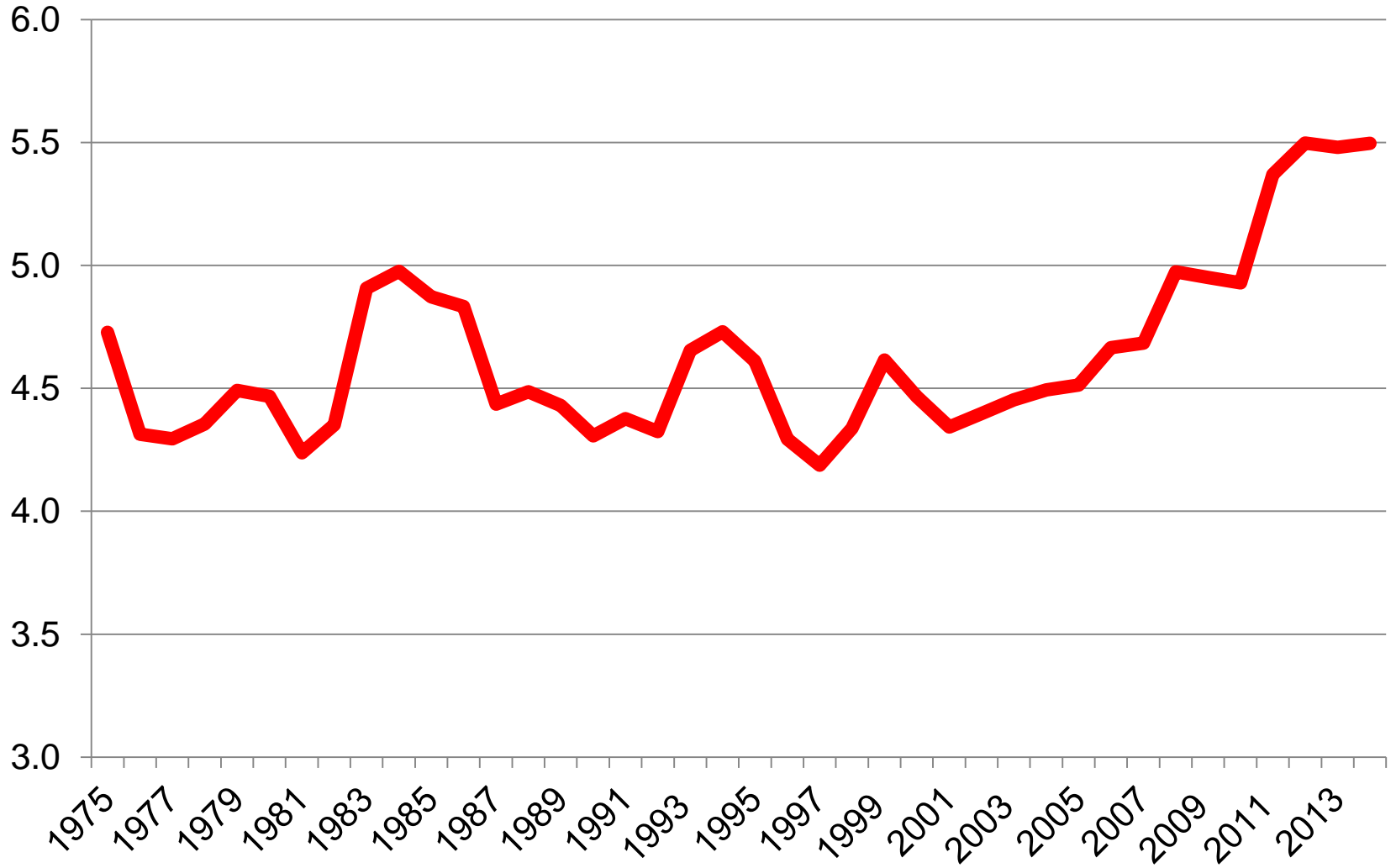
# Cheese Per Capita Consumption, Lbs



# Yogurt per Capita Consumption



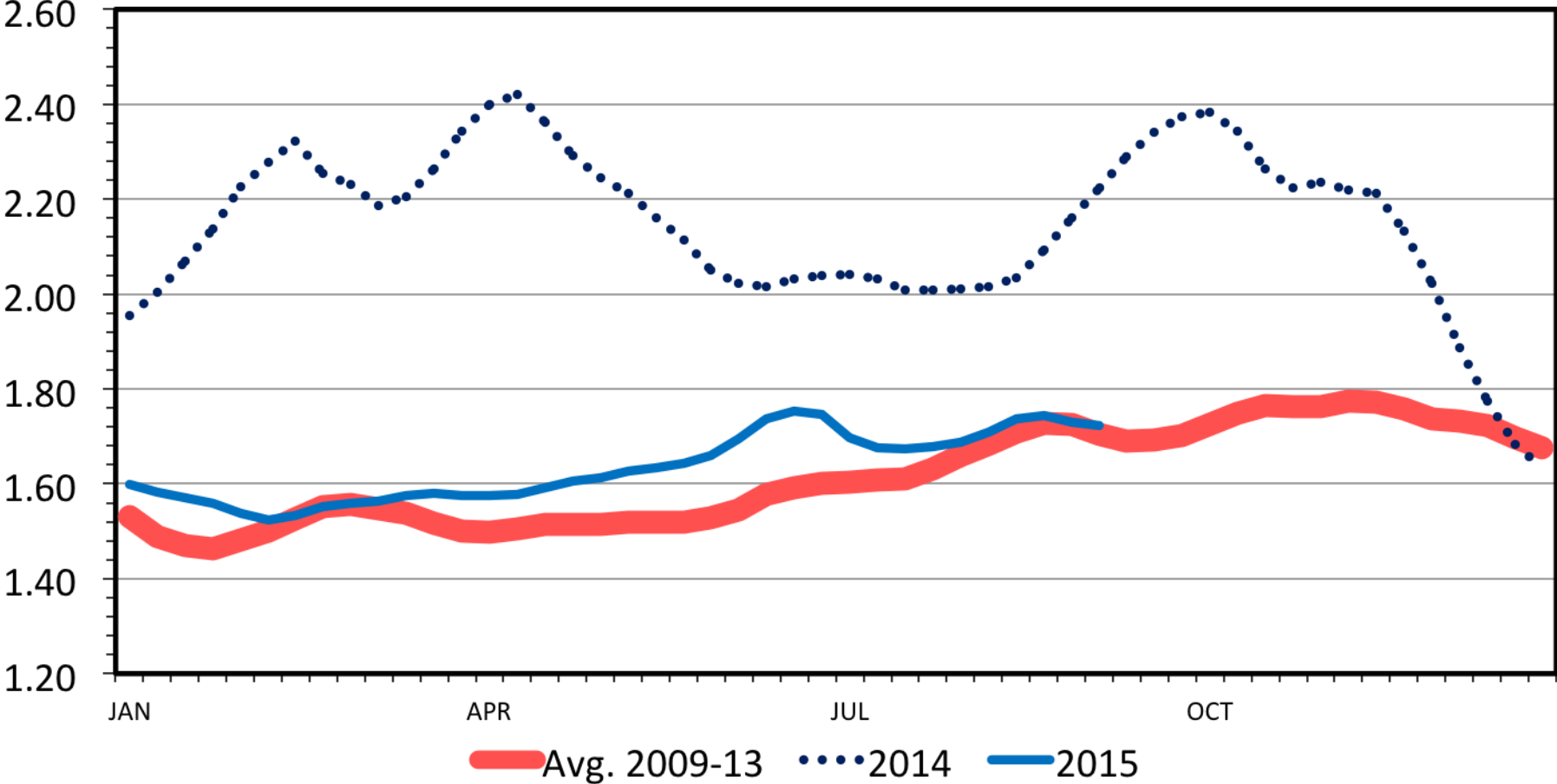
# Butter Per Capita Consumption



# CHEDDAR CHEESE PRICES

40 Pound Block, US, Weekly

\$ Per Pound



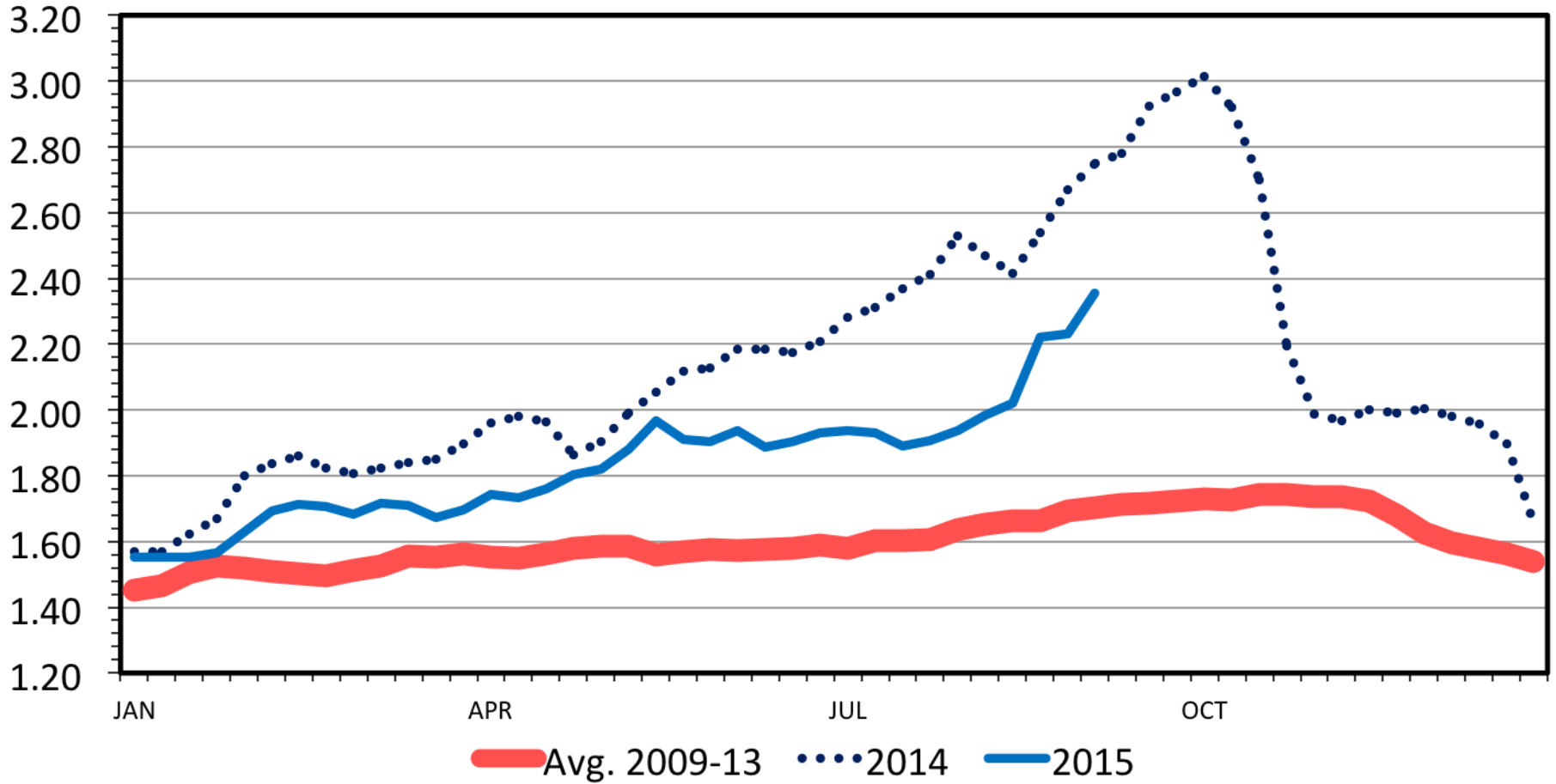
Data Source: USDA-NASS  
Livestock Marketing Information Center



# BUTTER PRICES

US, Weekly

\$ Per Pound



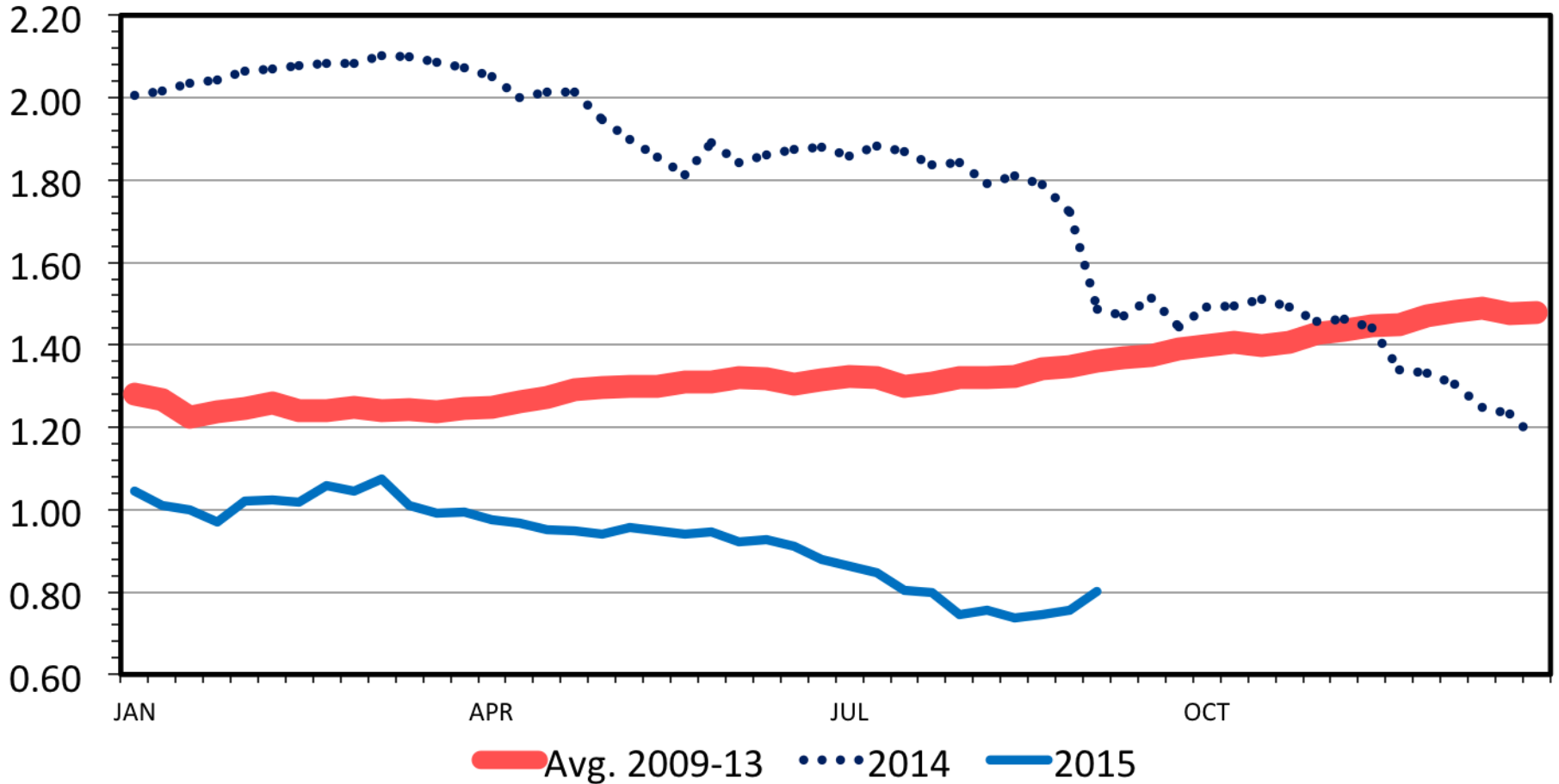
Data Source: USDA-NASS

Livestock Marketing Information Center

# NONFAT DRY MILK PRICES

US, Weekly

\$ Per Pound

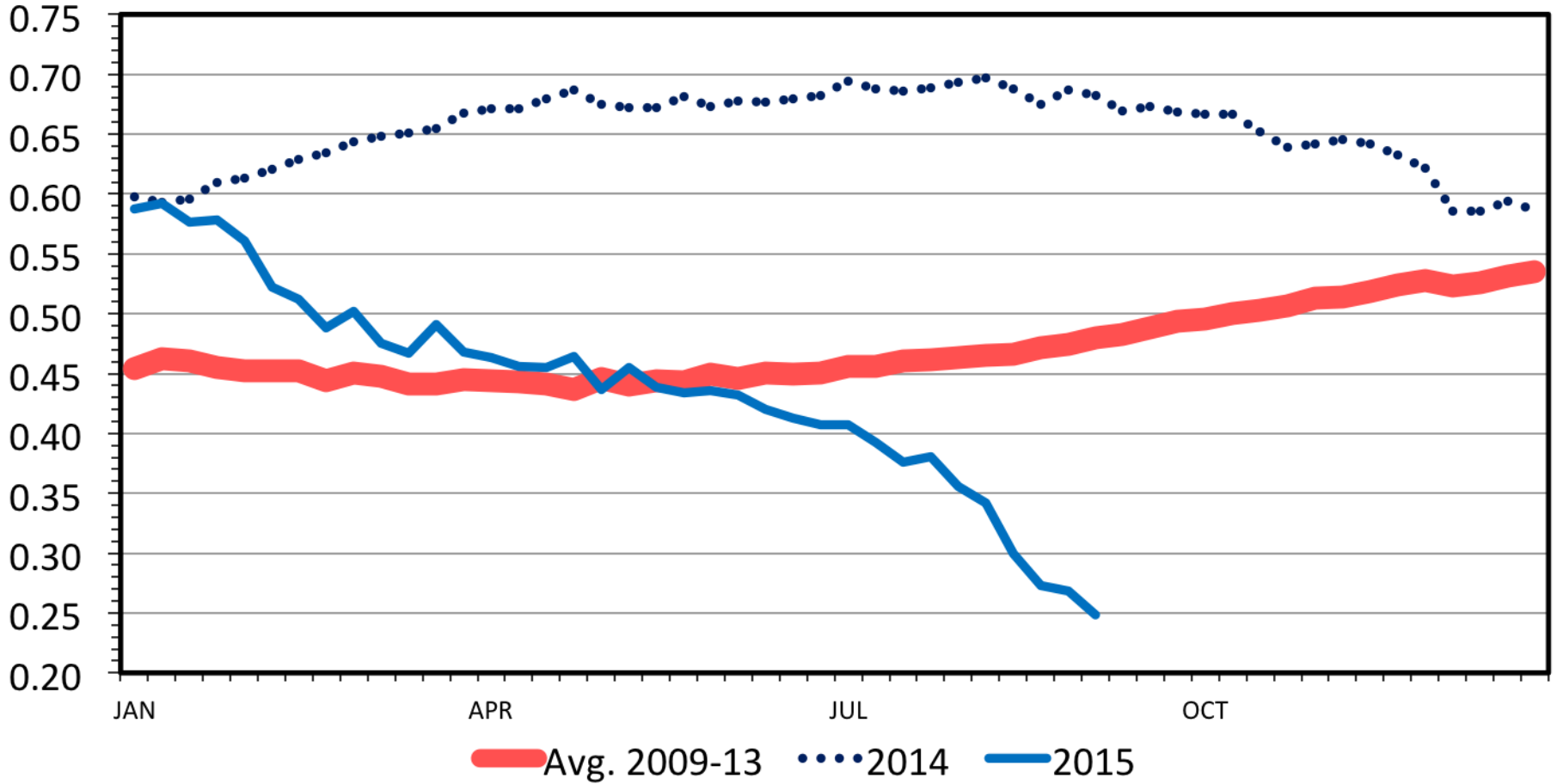


Data Source: USDA-NASS  
Livestock Marketing Information Center

# DRY WHEY PRICES

US, Weekly

\$ Per Pound



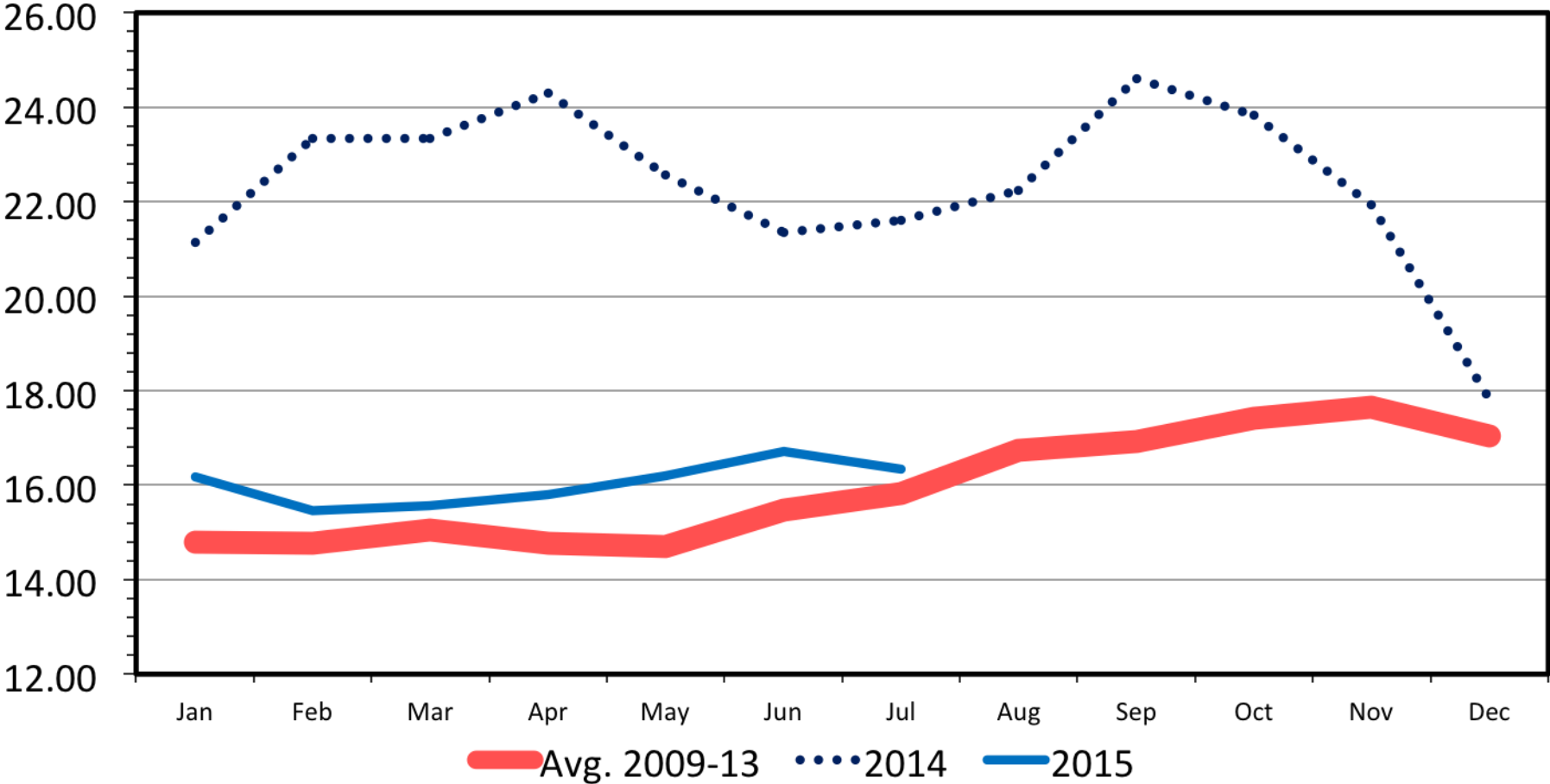
Data Source: USDA-NASS

Livestock Marketing Information Center

# CLASS III MILK PRICES

FMMO, Monthly

\$ Per Pound

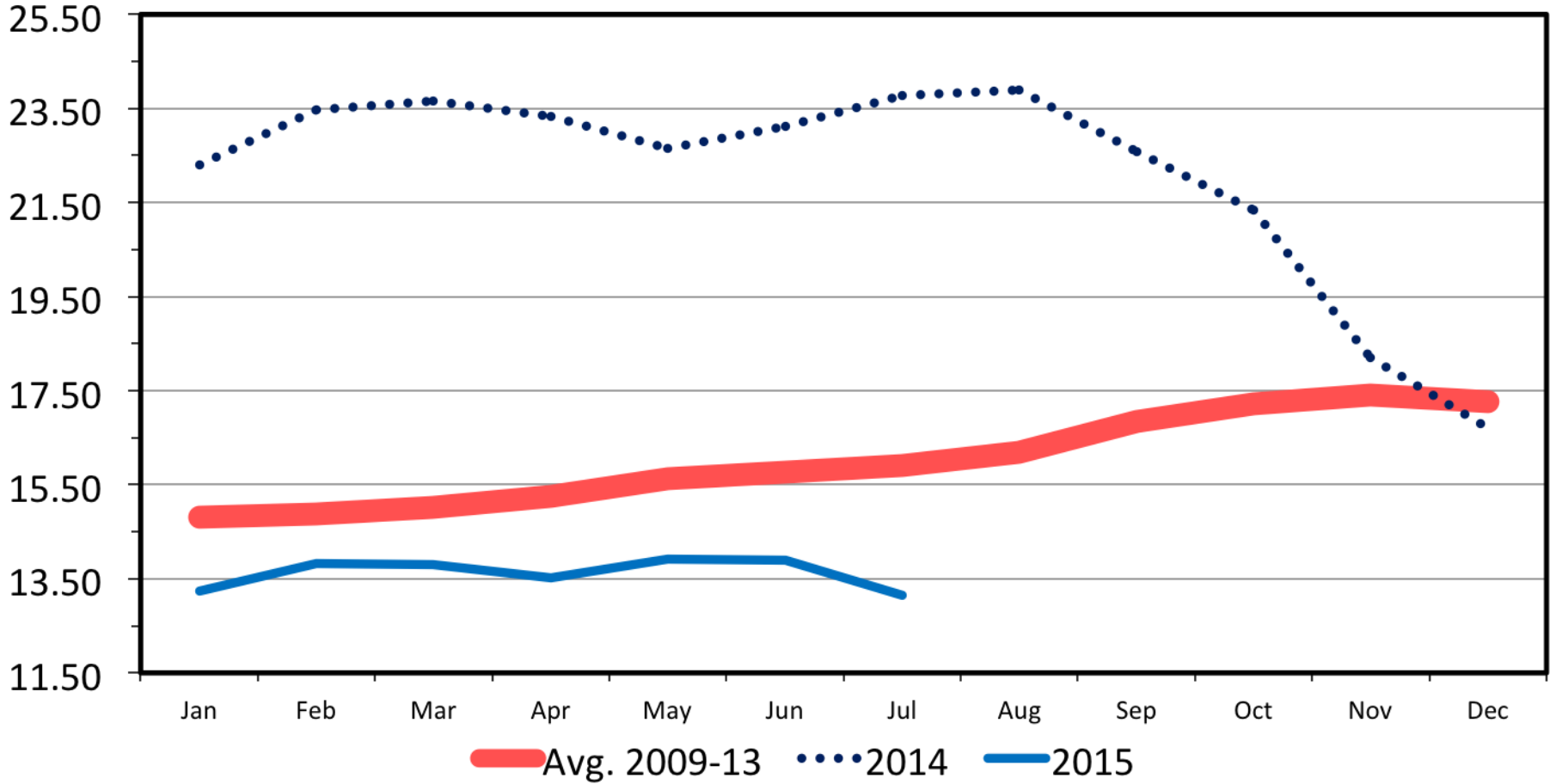


Data Source: USDA-AMS, Dairy Market News  
Livestock Marketing Information Center

# CLASS IV MILK PRICES

## FMMO, Monthly

\$ Per Pound

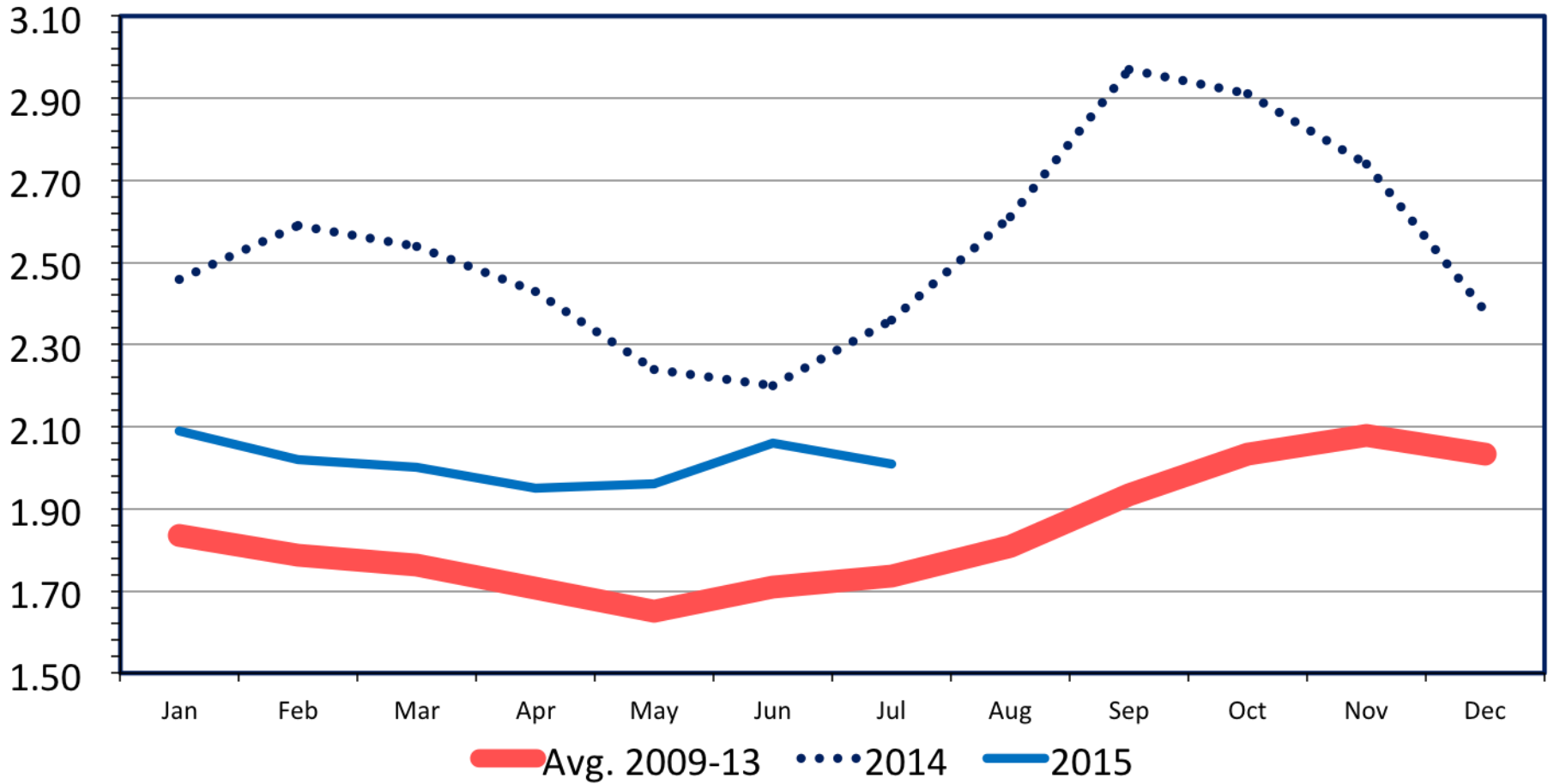


Data Source: USDA-AMS, Dairy Market News  
Livestock Marketing Information Center

# MILK-FEED PRICE RATIO

## US, Monthly

\$ Per Pound



Data Source: USDA-NASS

Livestock Marketing Information Center

# Summary

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- Large Supplies Worldwide
- Prices Pressured Worldwide
  - US and world prices can't keep going opposite directions
- Good Domestic Demand
  - Cheese, butter