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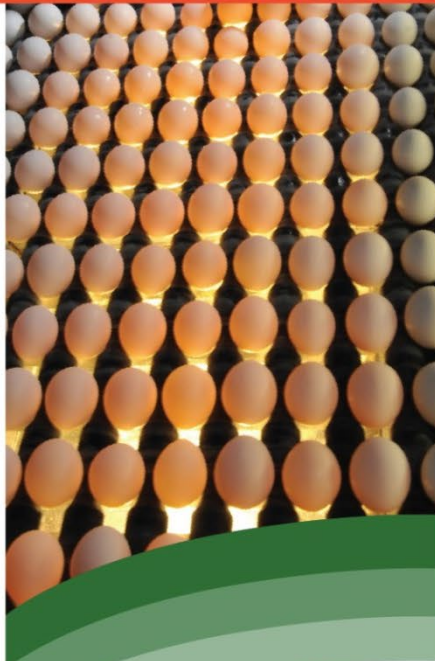
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United States Department of Agriculture

# Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses





# U.S. Dairy Outlook

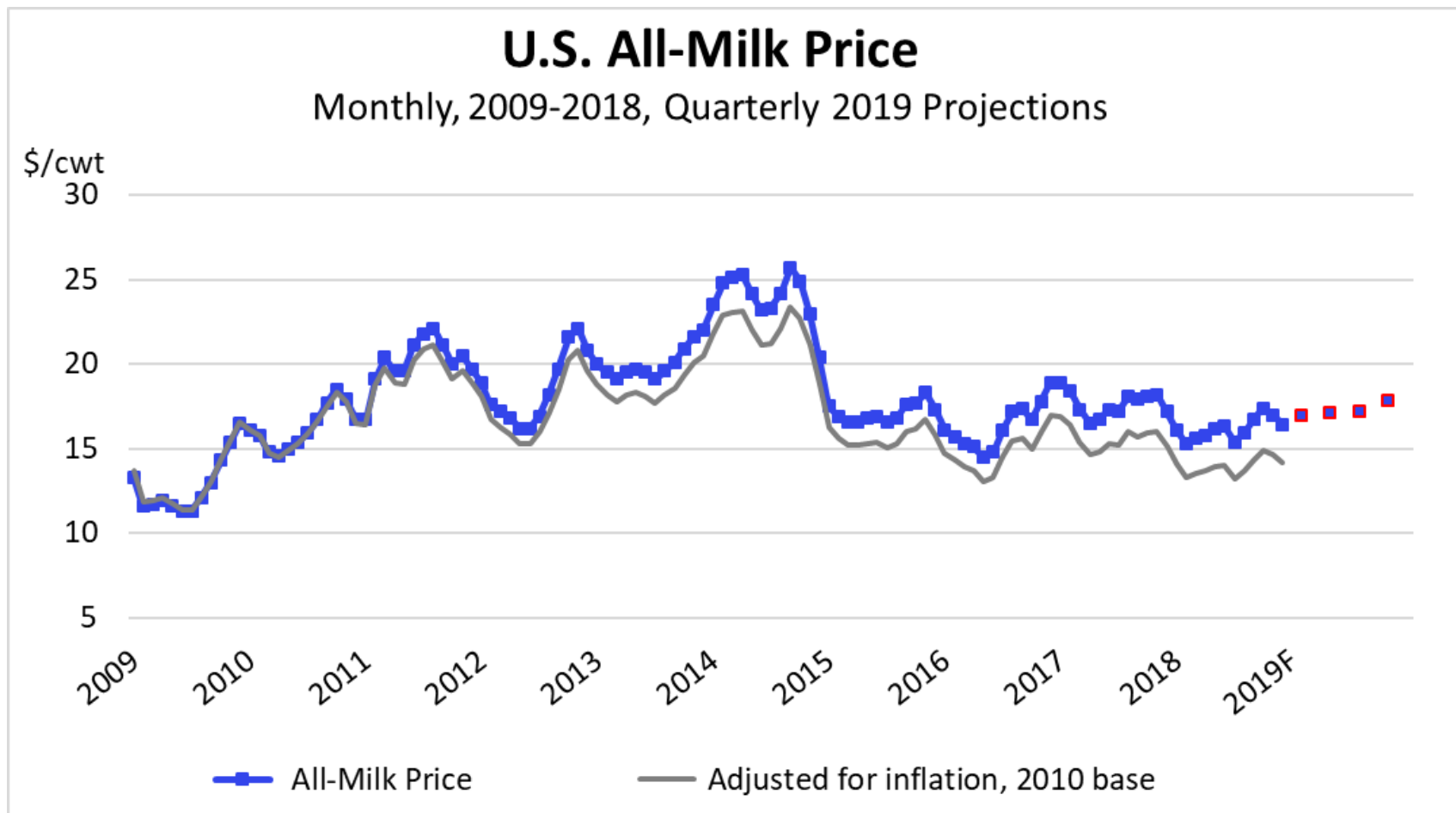
Carolyn Liebrand  
Dairy Program, AMS/USDA  
February 22, 2019

# Agricultural Marketing Service

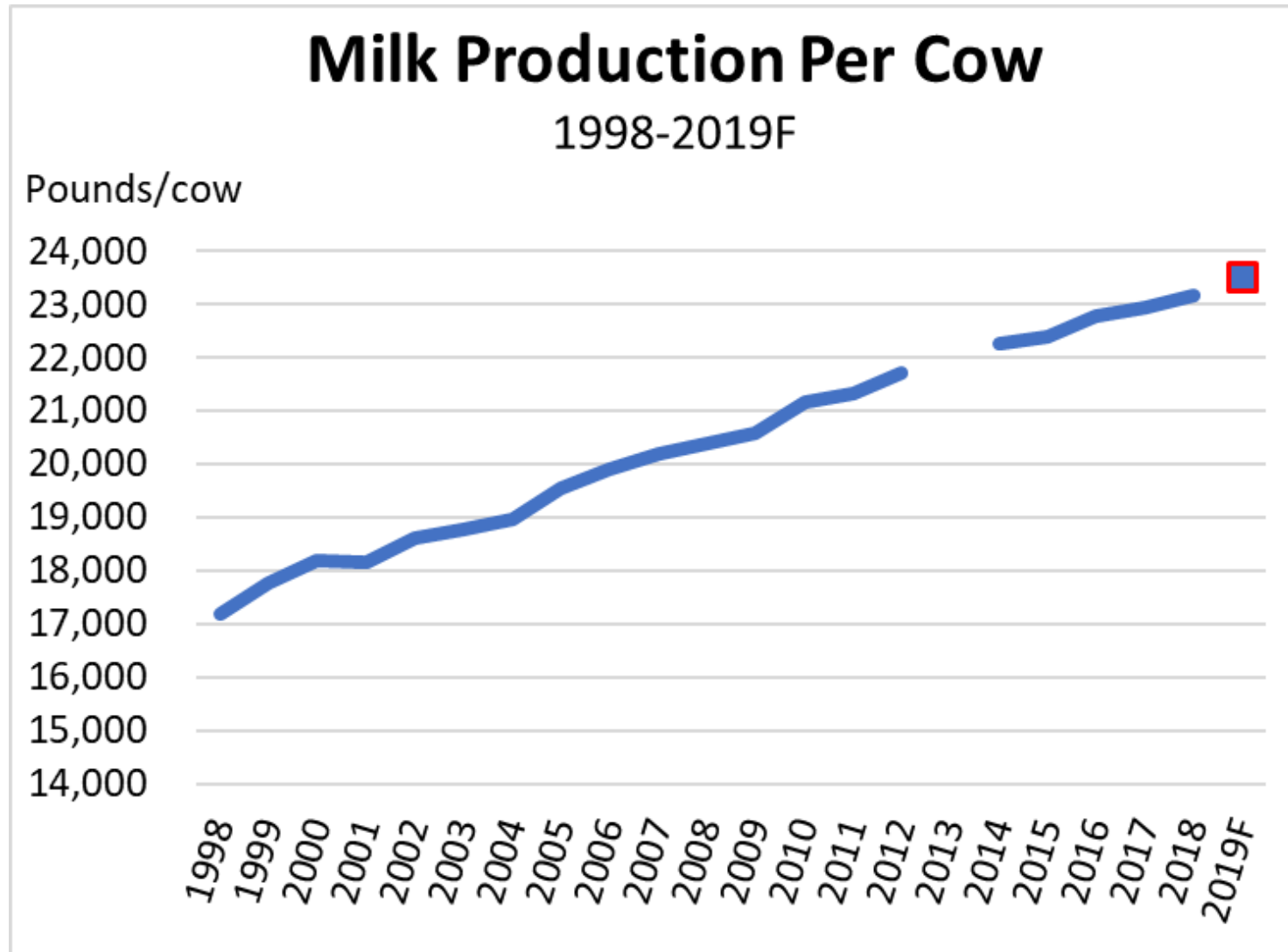


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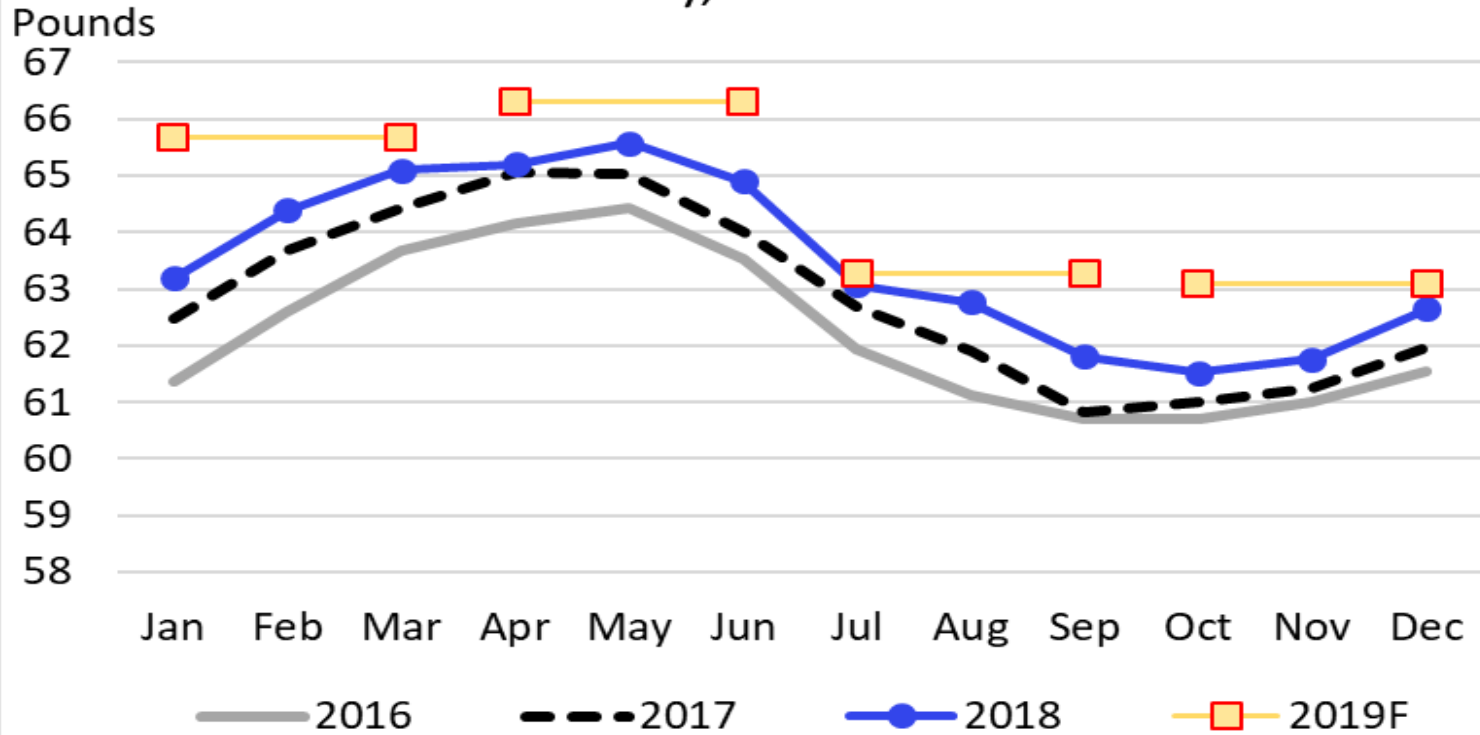
Source: NASS/USDA and WAOB/USDA



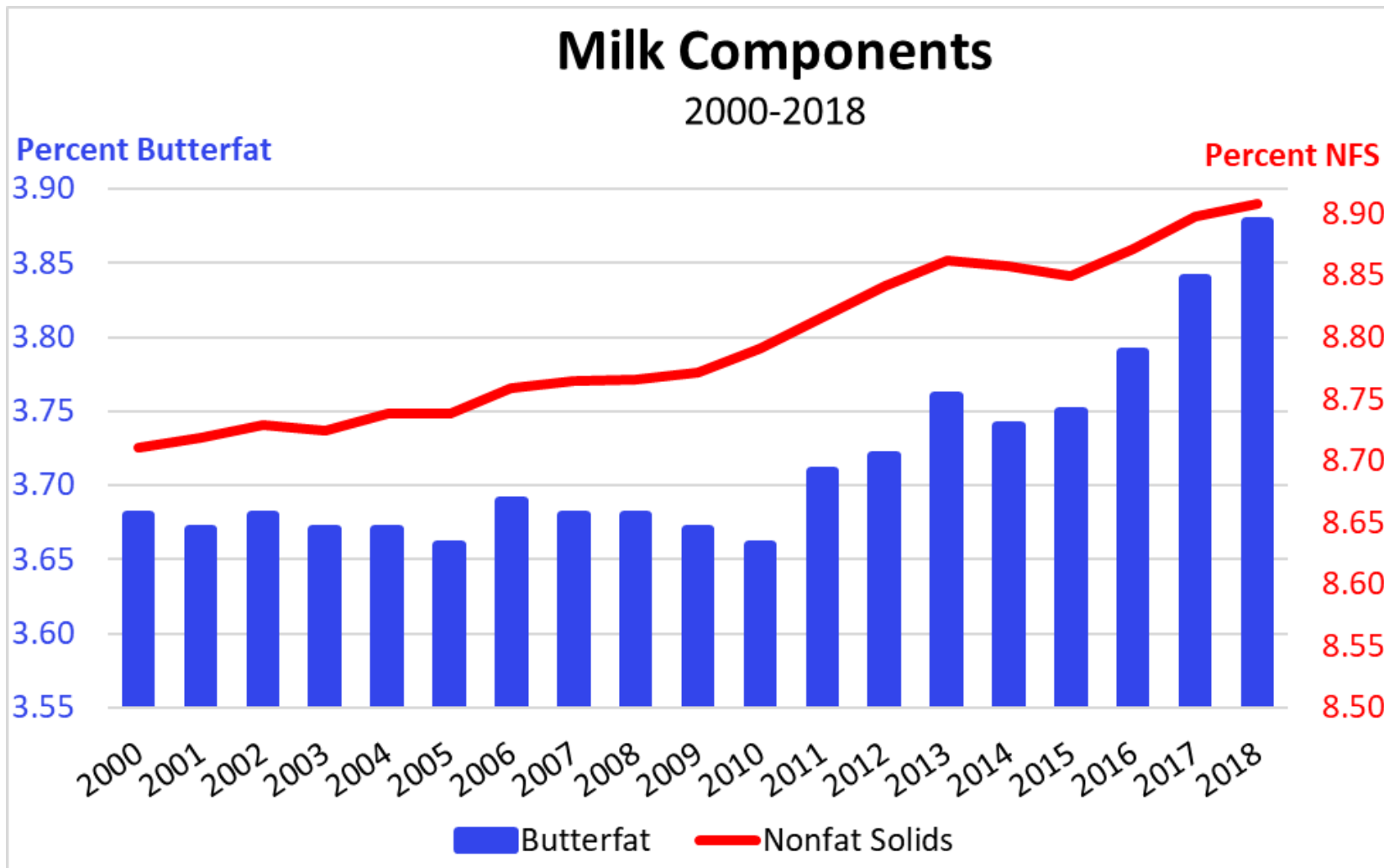
Source: NASS/USDA and WAOB/USDA

# Daily Milk Per Cow

Monthly, 2016 - 2019F



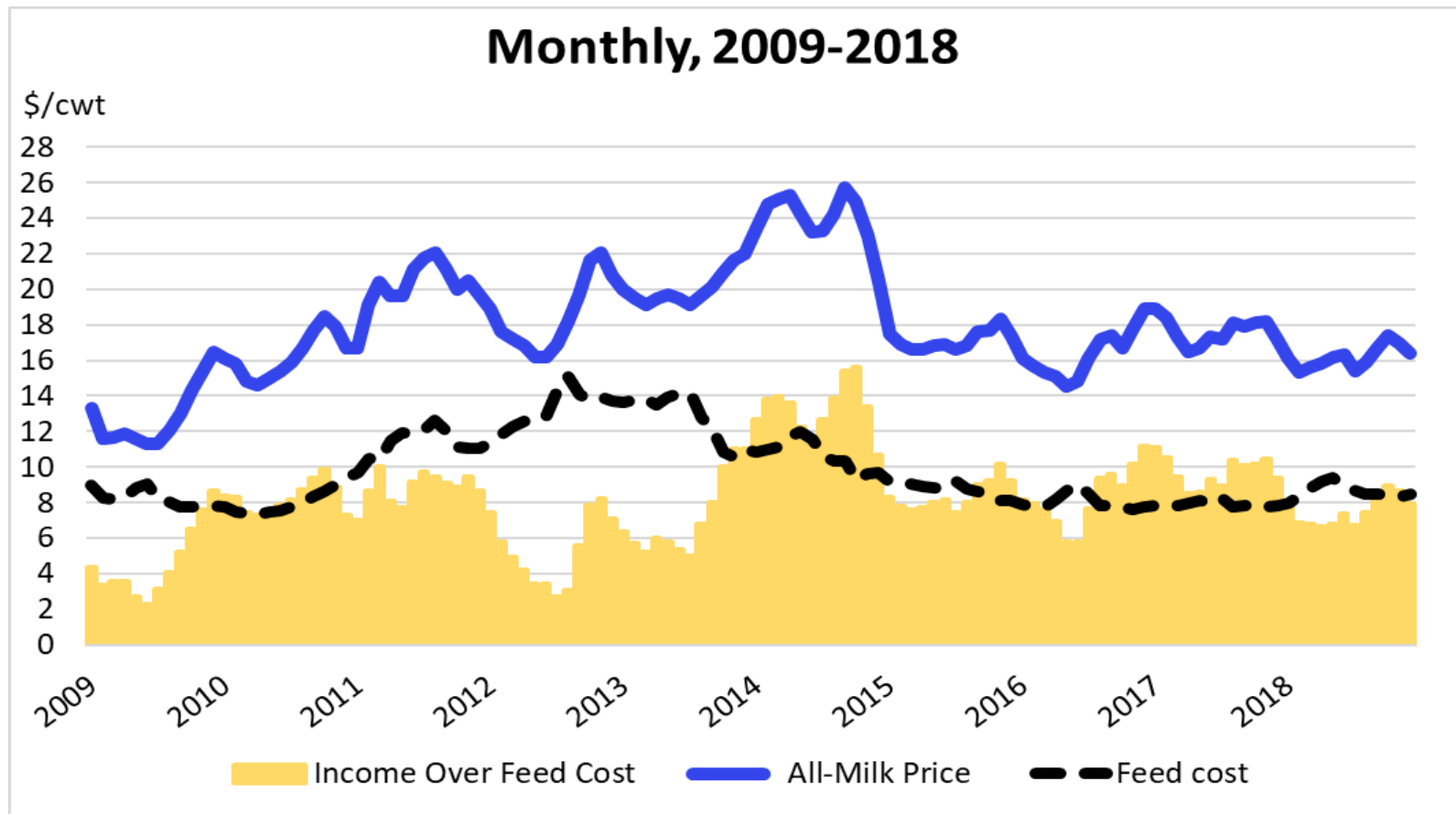
Source: NASS/USDA and WAOB/USDA



Source: NASS/USDA for Butterfat; AMS/USDA FMMO data for NFS



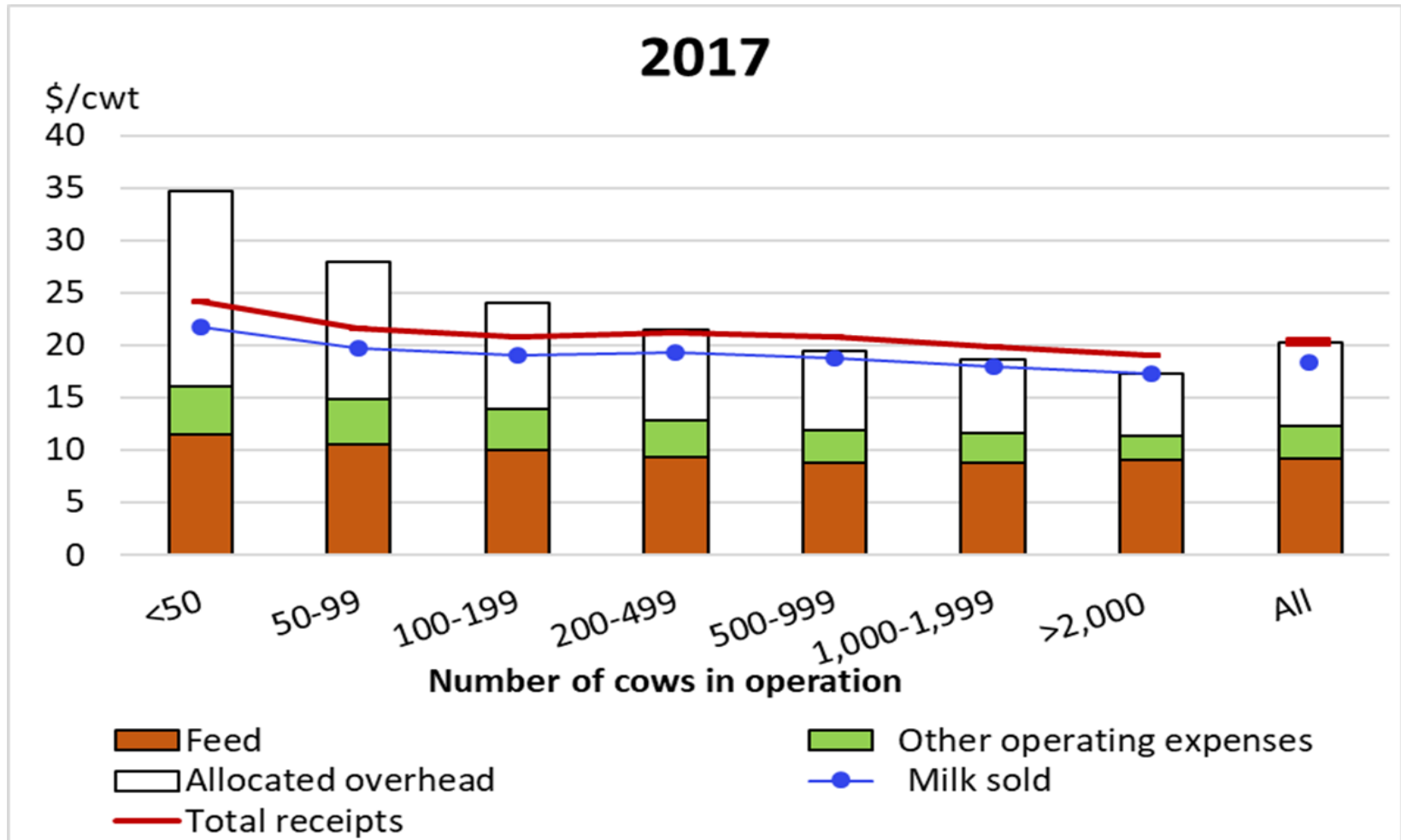
# All-Milk Price, Feed Cost, and Income Over Feed Cost



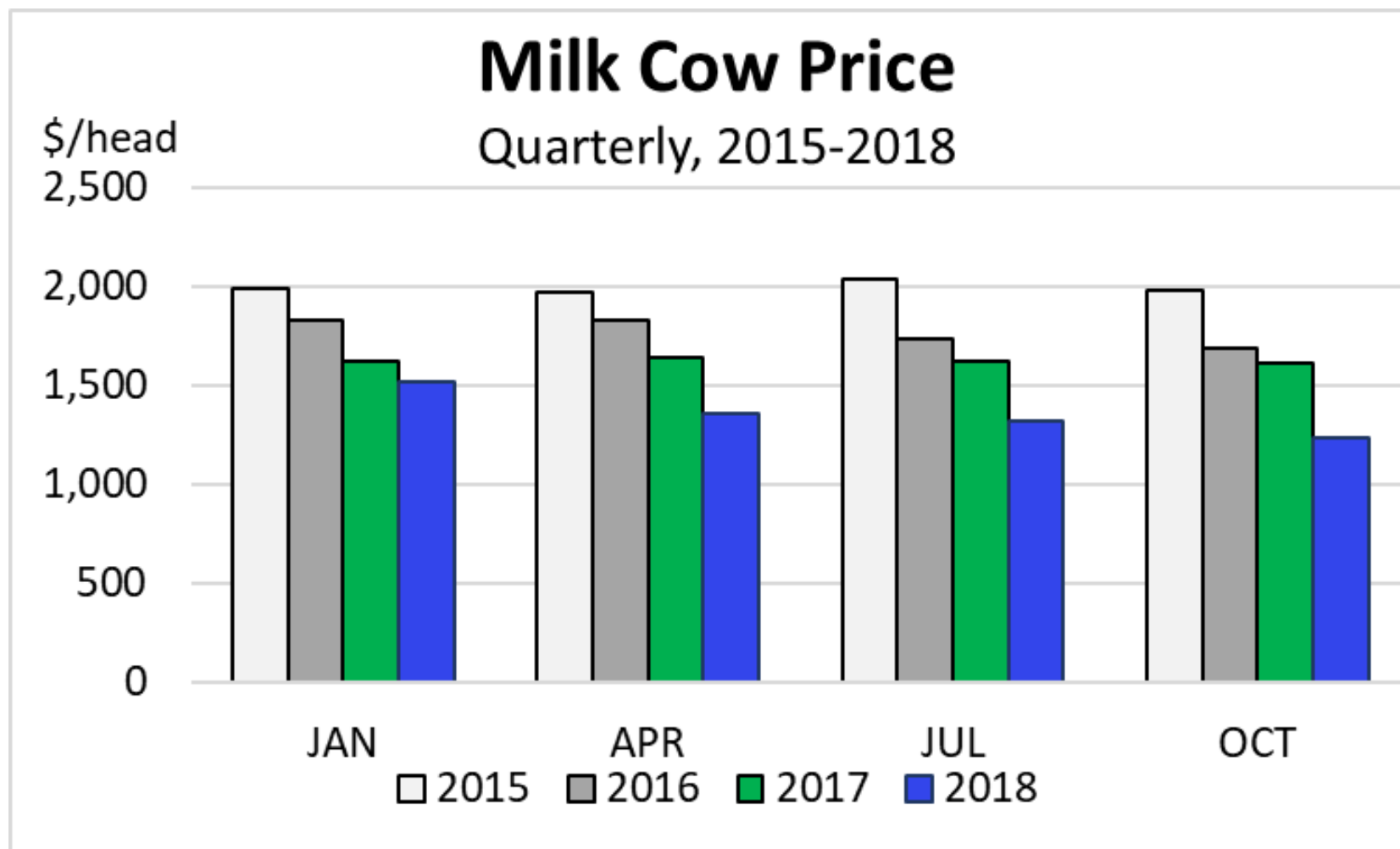
Sources: NASS/USDA; AMS/USDA; FSA/USDA

# Milk Production Costs and Returns

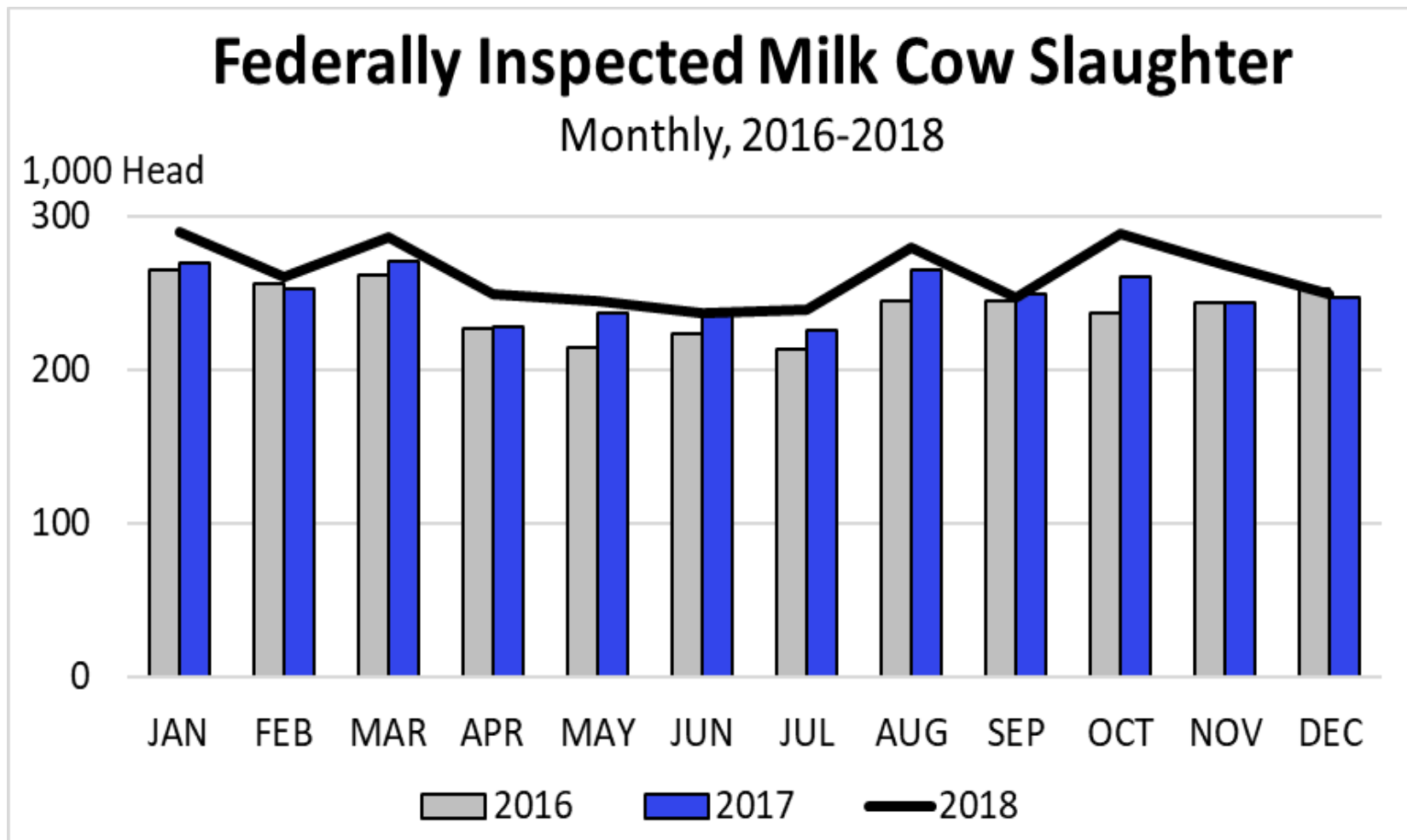
2017



Sources: ERS/USDA

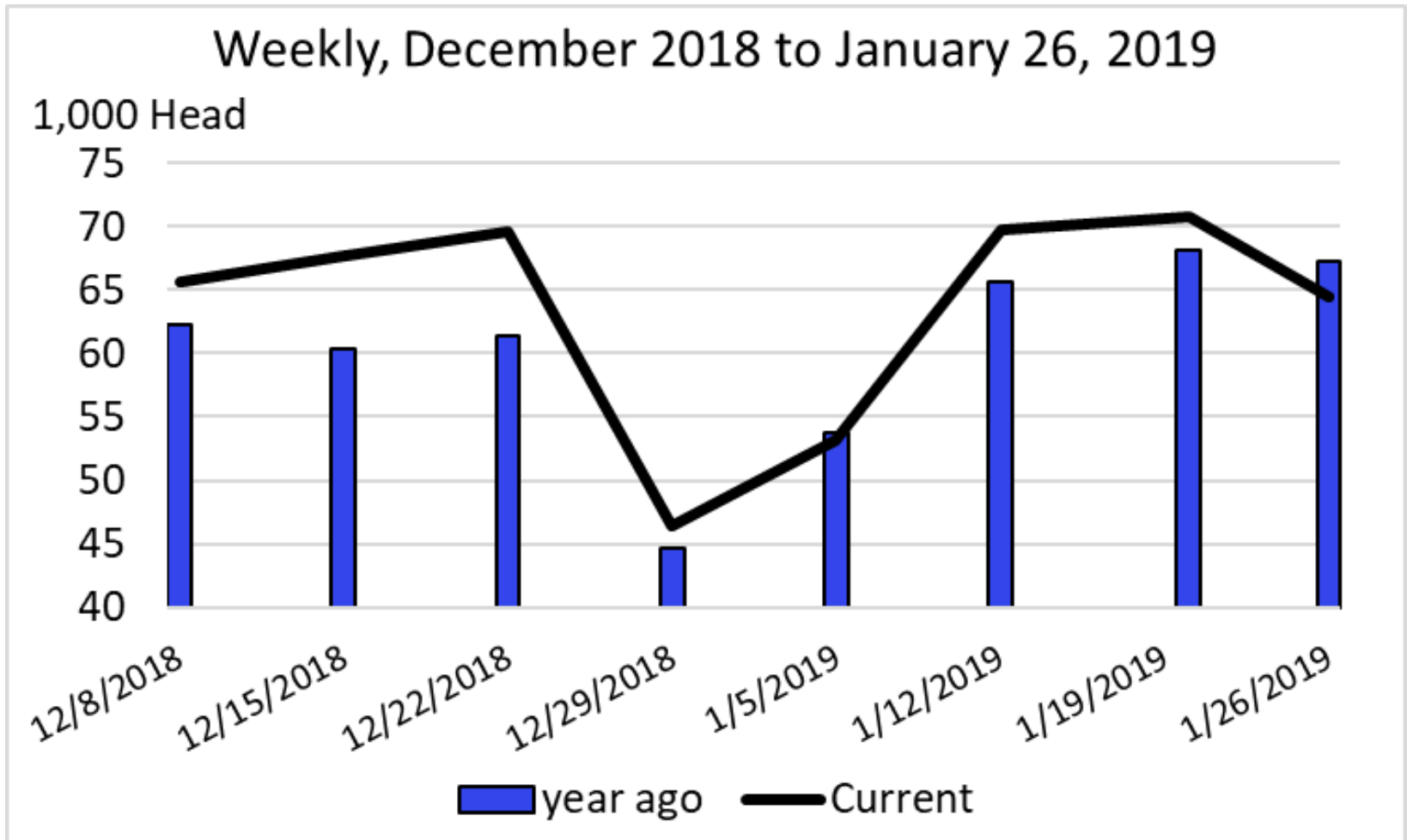


Source: NASS/USDA



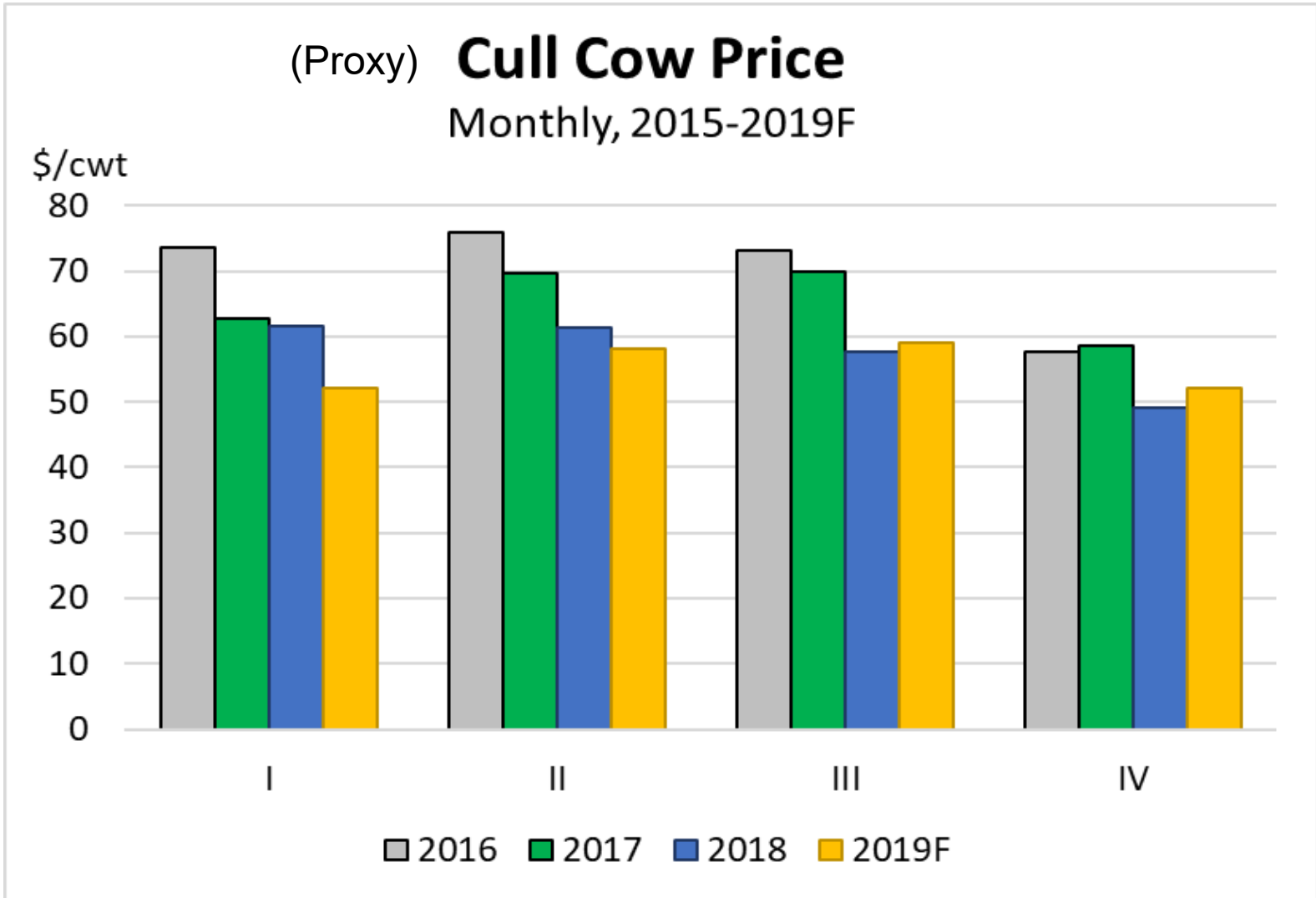
Sources: NASS/USDA; AMS/USDA

## U.S. Cow Slaughter Under Federal Inspection



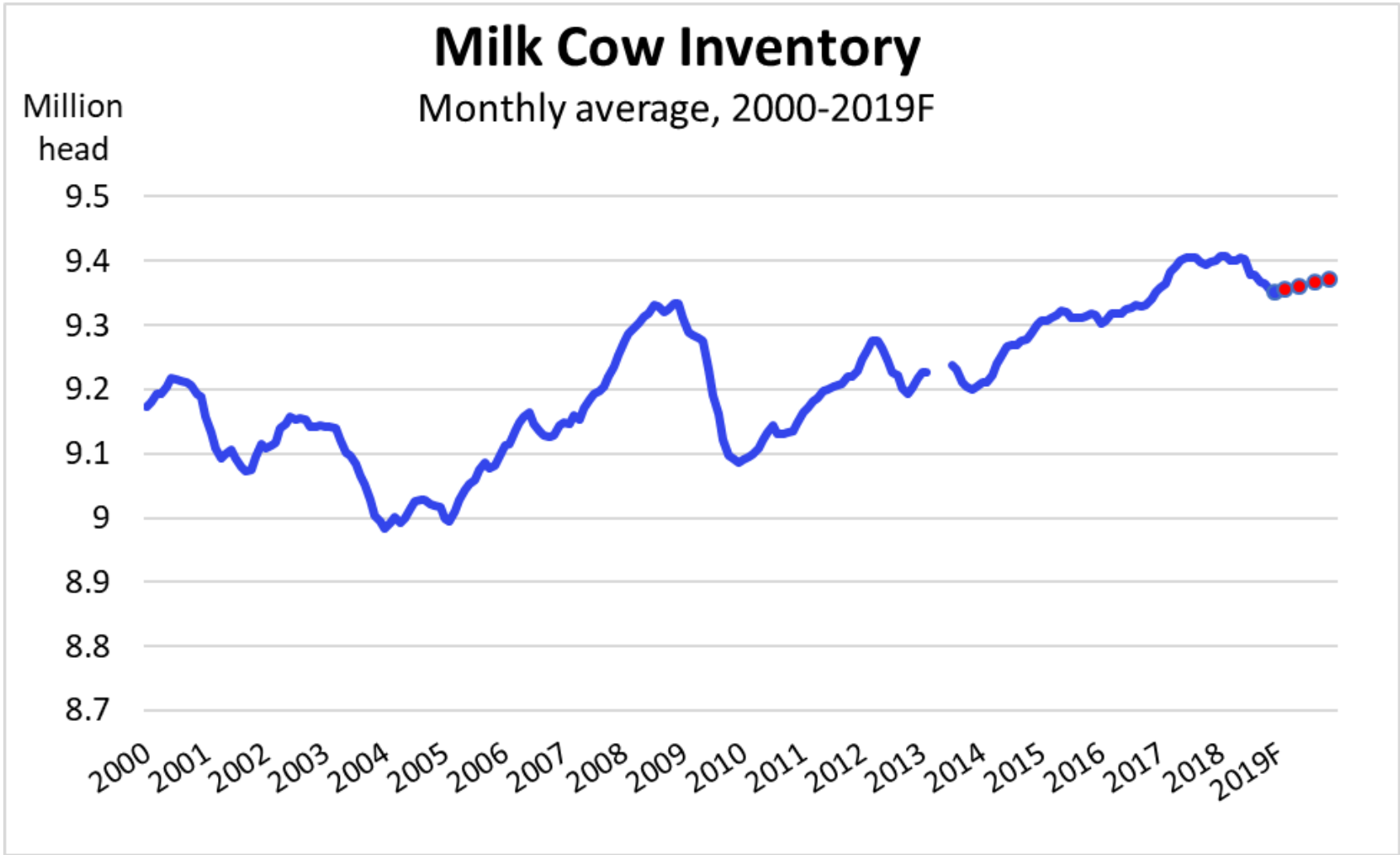
Source: AMS/USDA

(Martin Luther King Holiday in week ending 1/26/2019; it fell in the prior week 2018)

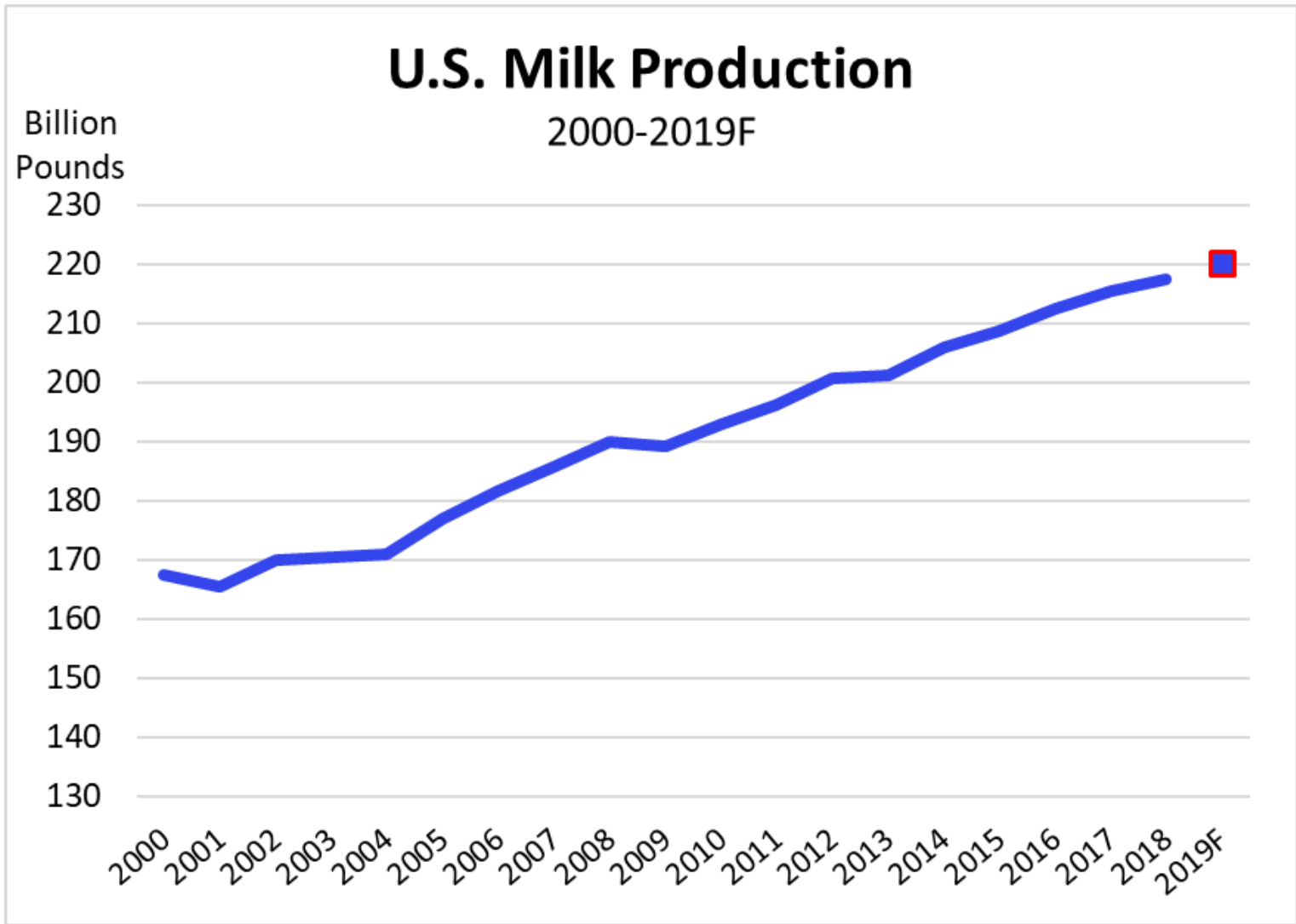


Source: NASS/USDA

Prices for National, Live-Equivalent, Cutter, 90% lean, 500 lbs and up



Sources: NASS/USDA; WAOB/USDA



Sources: NASS/USDA; WAOB/USDA

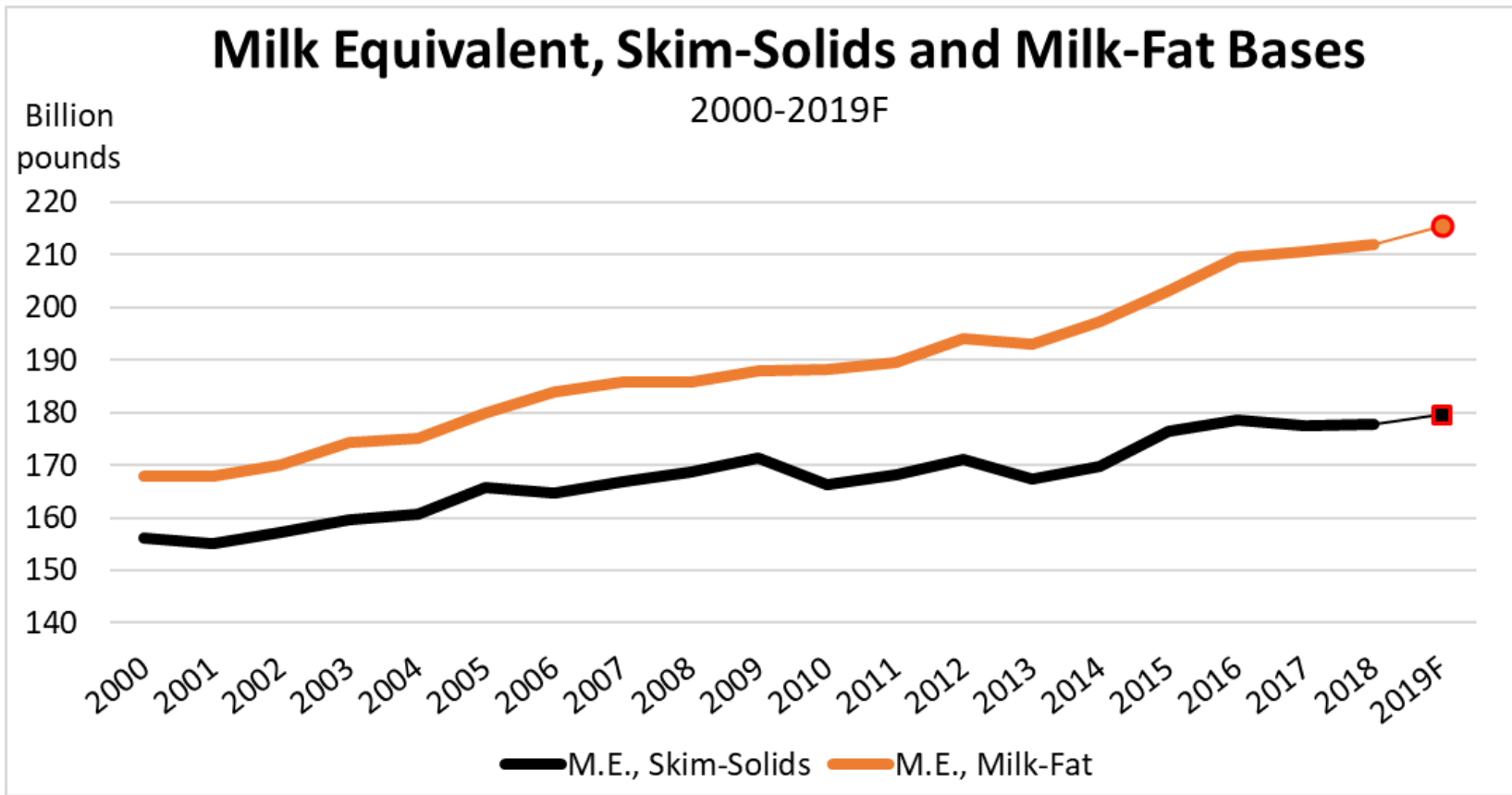


<b>U.S. Milk Production by State, 2018</b>				
Rank	State	Milk production	Cummulative Share	2018: 2017
		<i>Billion pounds</i>	<i>Percent of U.S.</i>	<i>Percent Change</i>
1	CALIFORNIA	40.4	18.6	1.6
2	WISCONSIN	30.6	32.6	0.8
3	IDAHO	15.0	39.6	2.9
4	<b>NEW YORK</b>	<b>14.9</b>	46.4	<b>(0.1)</b>
<b>5</b>	<b>TEXAS</b>	<b>12.9</b>	52.3	<b>6.6</b>
6	<b>MICHIGAN</b>	11.2	57.5	<b>(0.6)</b>
7	<b>PENNSYLVANIA</b>	10.7	62.4	<b>(2.3)</b>
8	MINNESOTA	9.9	66.9	0.1
9	NEW MEXICO	8.3	70.7	0.8
10	WASHINGTON	6.7	73.8	3.2
Source: NASS/USDA				

## U.S. Milk Production by State, 2018, continued

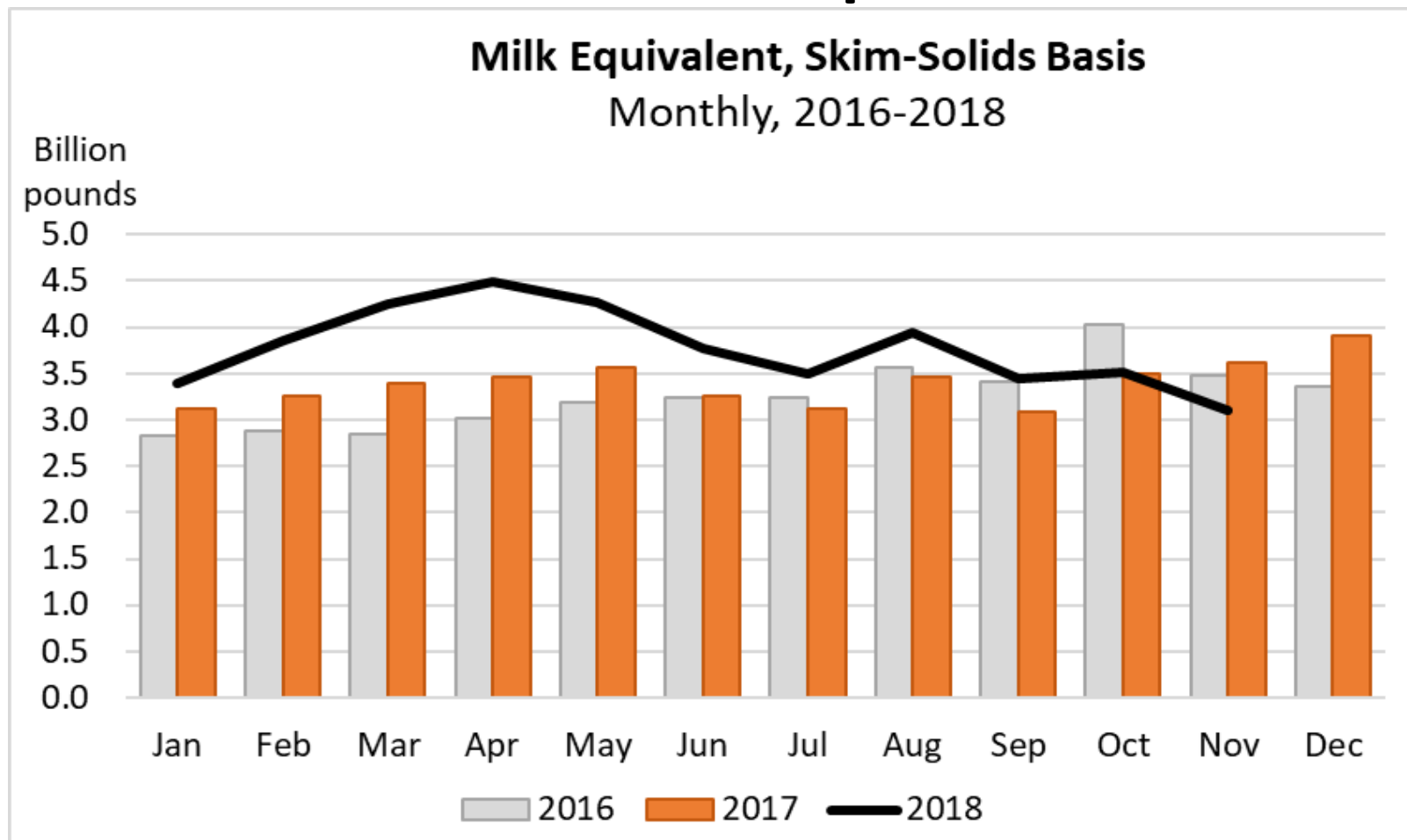
Rank	State	Milk production	Cummulative Share	2018: 2017
		<i>Billion pounds</i>	<i>Percent of U.S.</i>	<i>Percent Change</i>
11	<b>OHIO</b>	5.4	76.3	<b>(2.6)</b>
12	IOWA	5.2	78.7	0.7
13	ARIZONA	5.0	81.0	0.3
<b>14</b>	<b>COLORADO</b>	<b>4.6</b>	83.1	<b>8.8</b>
15	<b>INDIANA</b>	4.2	85.1	<b>(1.2)</b>
<b>16</b>	<b>KANSAS</b>	<b>3.7</b>	86.8	<b>6.1</b>
17	S. DAKOTA	2.7	88.0	3.3
18	<b>VERMONT</b>	2.7	89.2	<b>(1.8)</b>
19	OREGON	2.5	90.4	0.1
20	<b>FLORIDA</b>	2.4	91.5	<b>(4.7)</b>
Source: NASS/USDA				

# Domestic Commercial Disappearance



Sources: ERS/USDA; WAOB/USDA

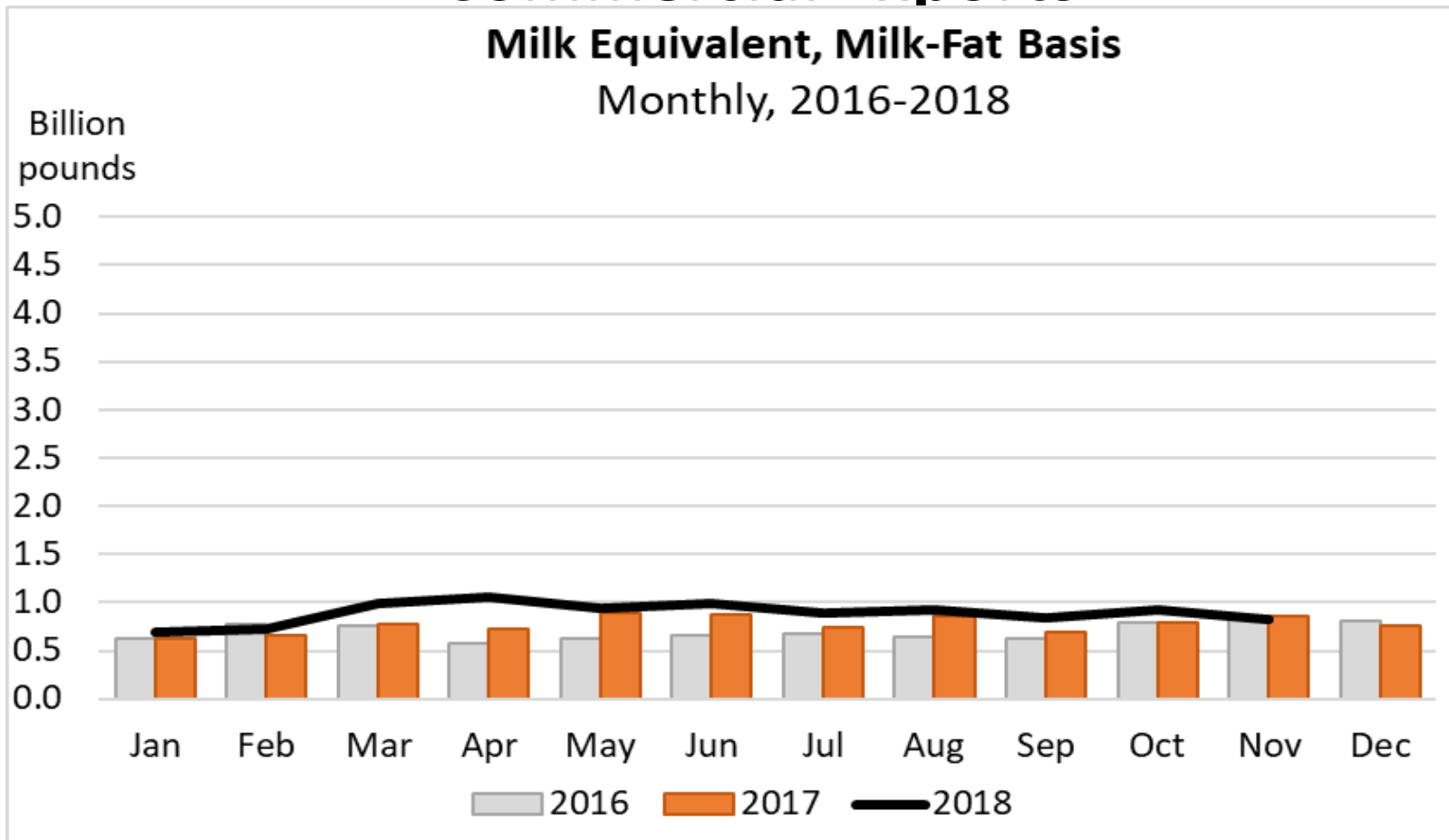
# Commercial Exports



Sources: ERS/USDA

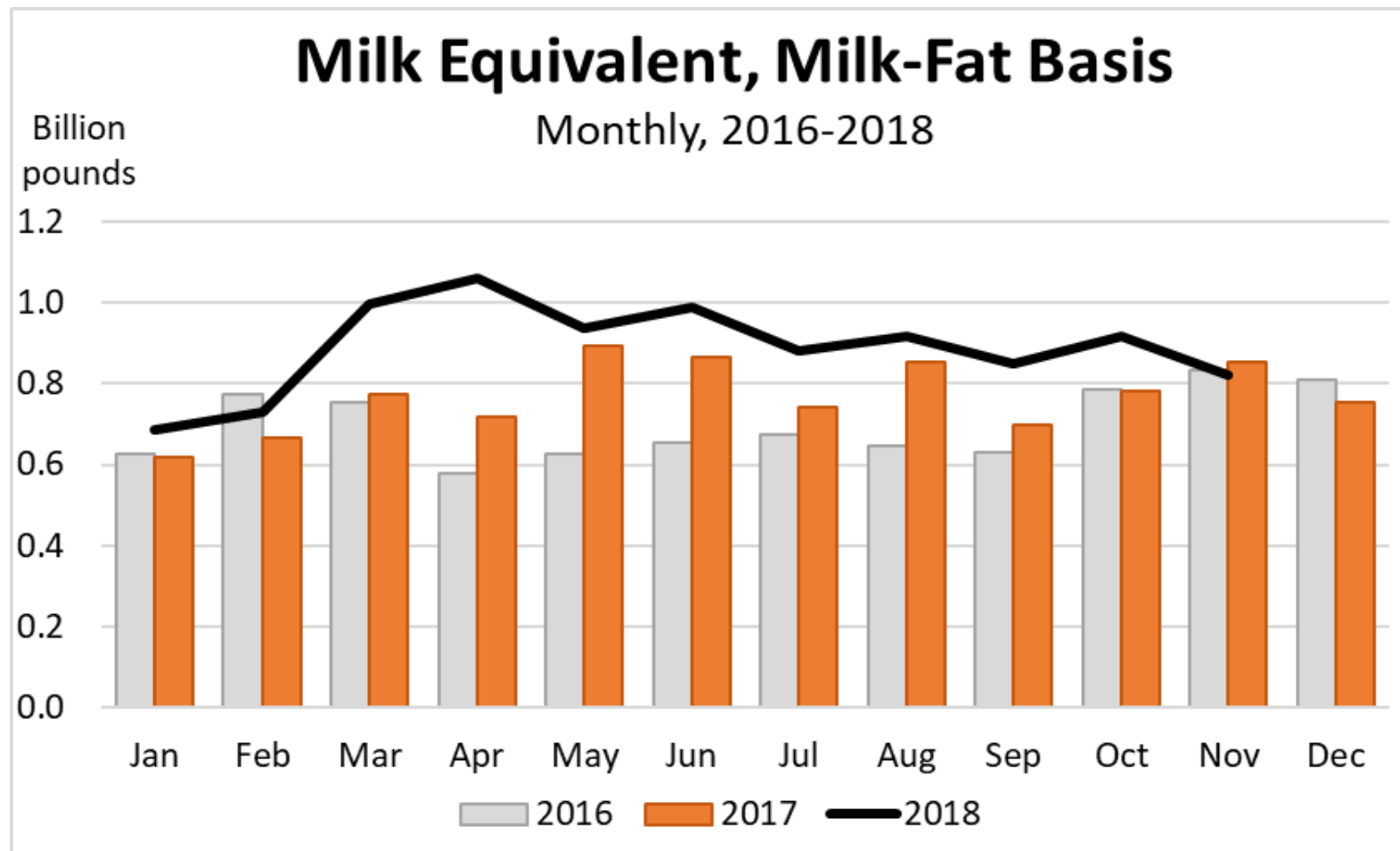
# Commercial Exports

Milk Equivalent, Milk-Fat Basis  
Monthly, 2016-2018



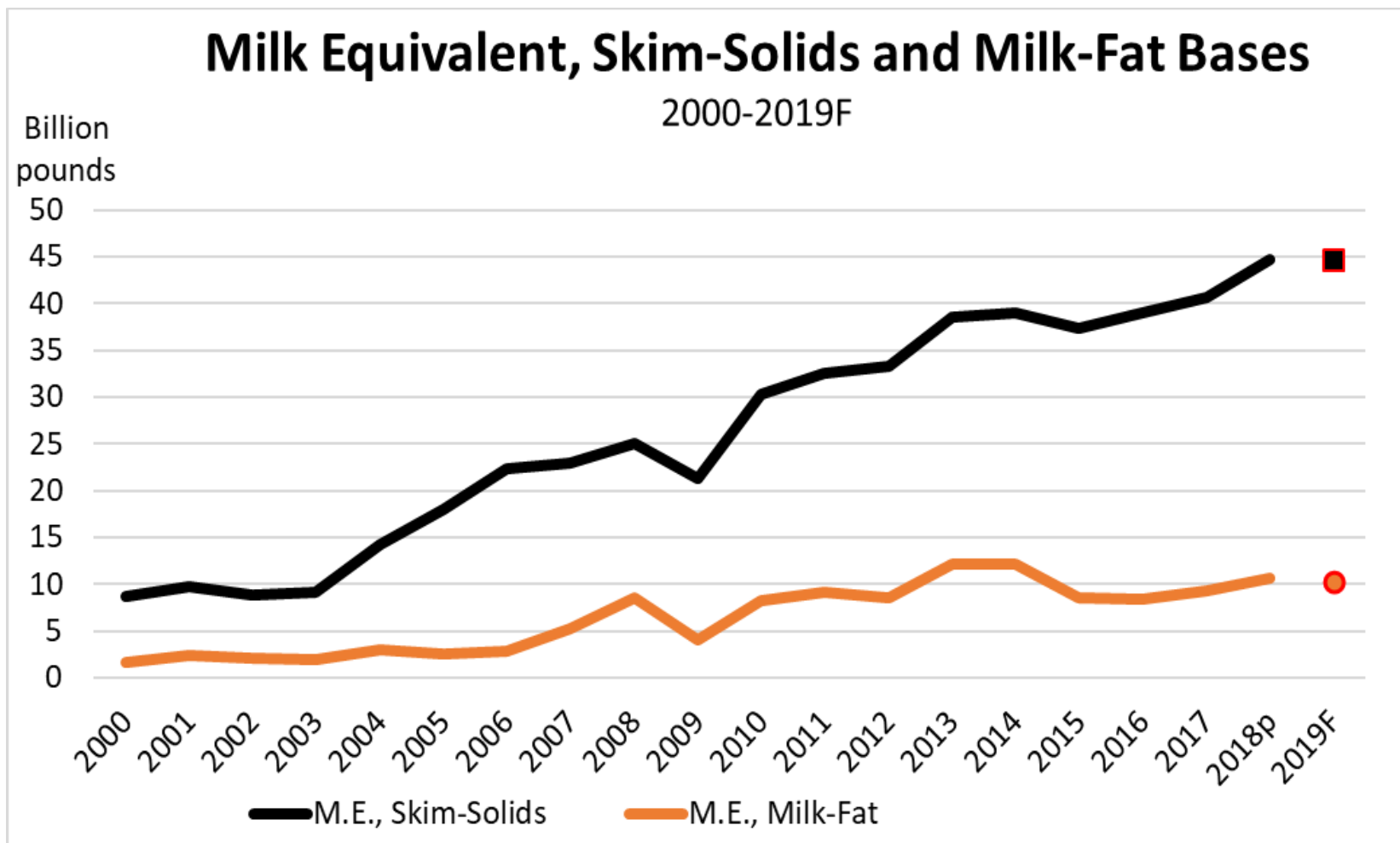
Sources: ERS/USDA

# Commercial Exports



Sources: ERS/USDA

# Commercial Exports

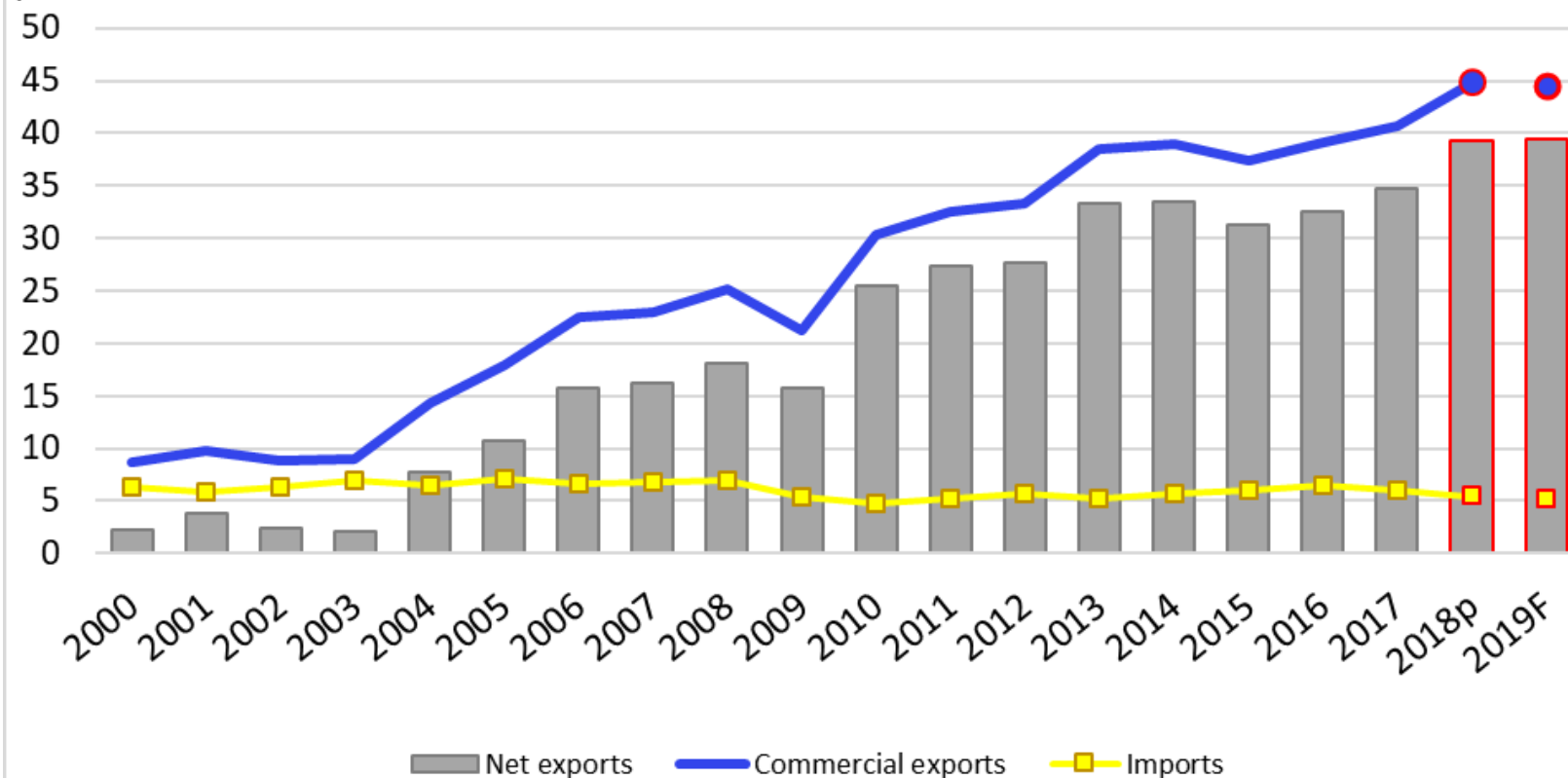


Sources: ERS/USDA; WAOB/USDA

## Commercial Exports, Imports, Net Exports

Milk Equivalent, Skim-Solids Basis, 2000-2019F

Billion  
pounds



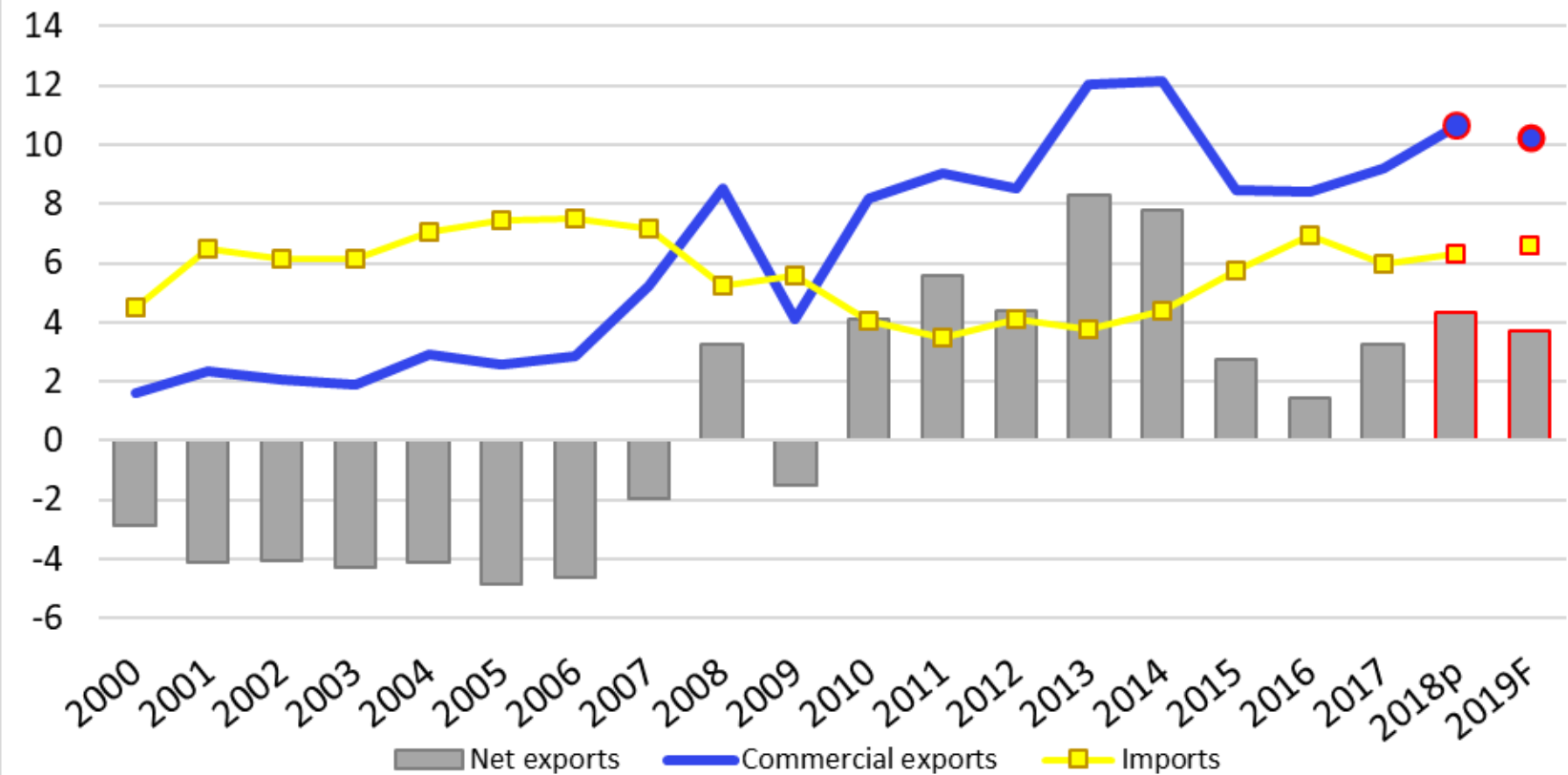
Sources: ERS/USDA; WAOB/USDA



# Commercial Exports, Imports, Net Exports

Milk Equivalent, Milk-Fat Basis, 2000-2019F

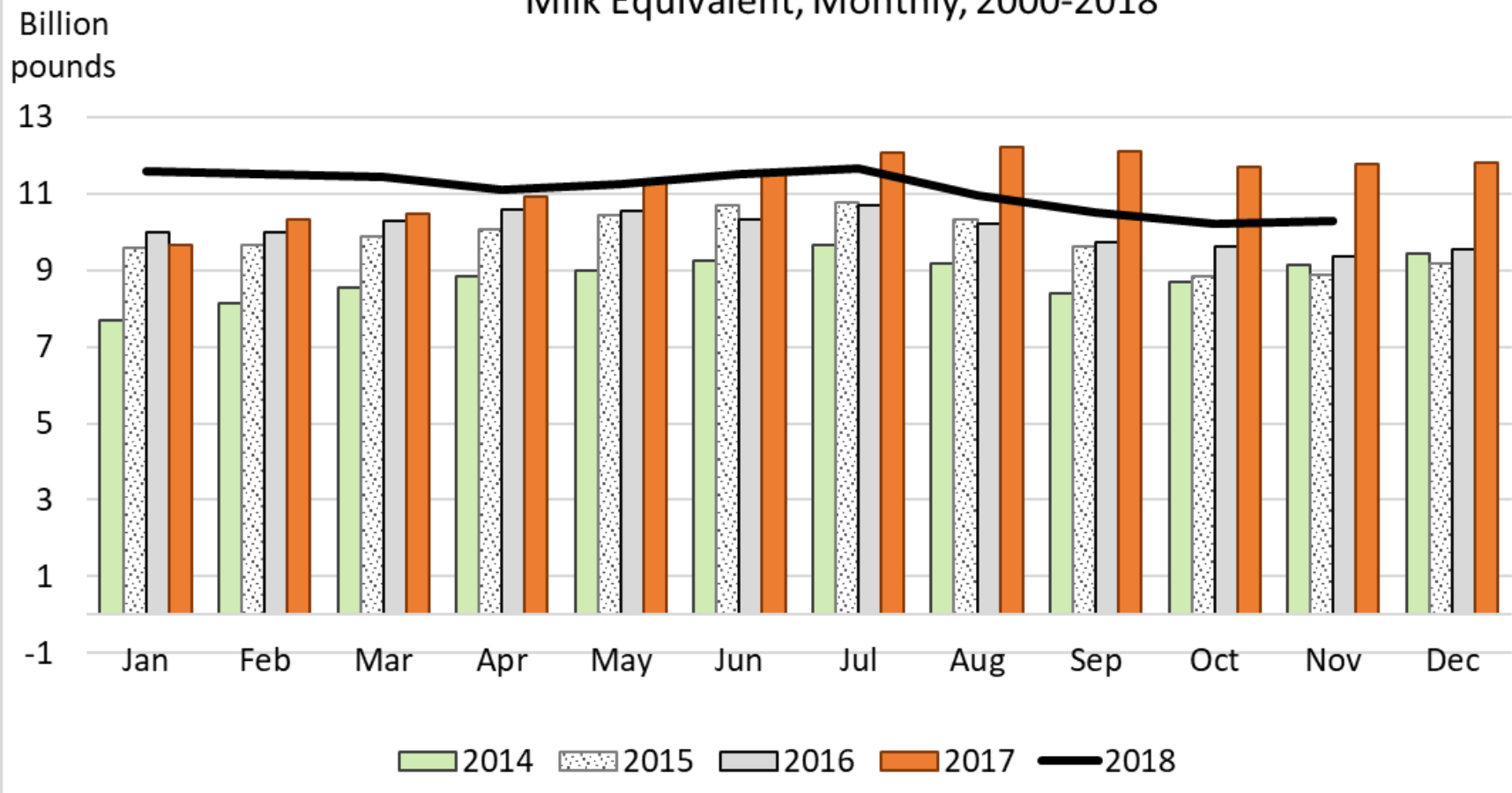
Billion  
pounds



Sources: ERS/USDA; WAOB/USDA

## Ending Stocks, Skim-Solids Basis

Milk Equivalent, Monthly, 2000-2018

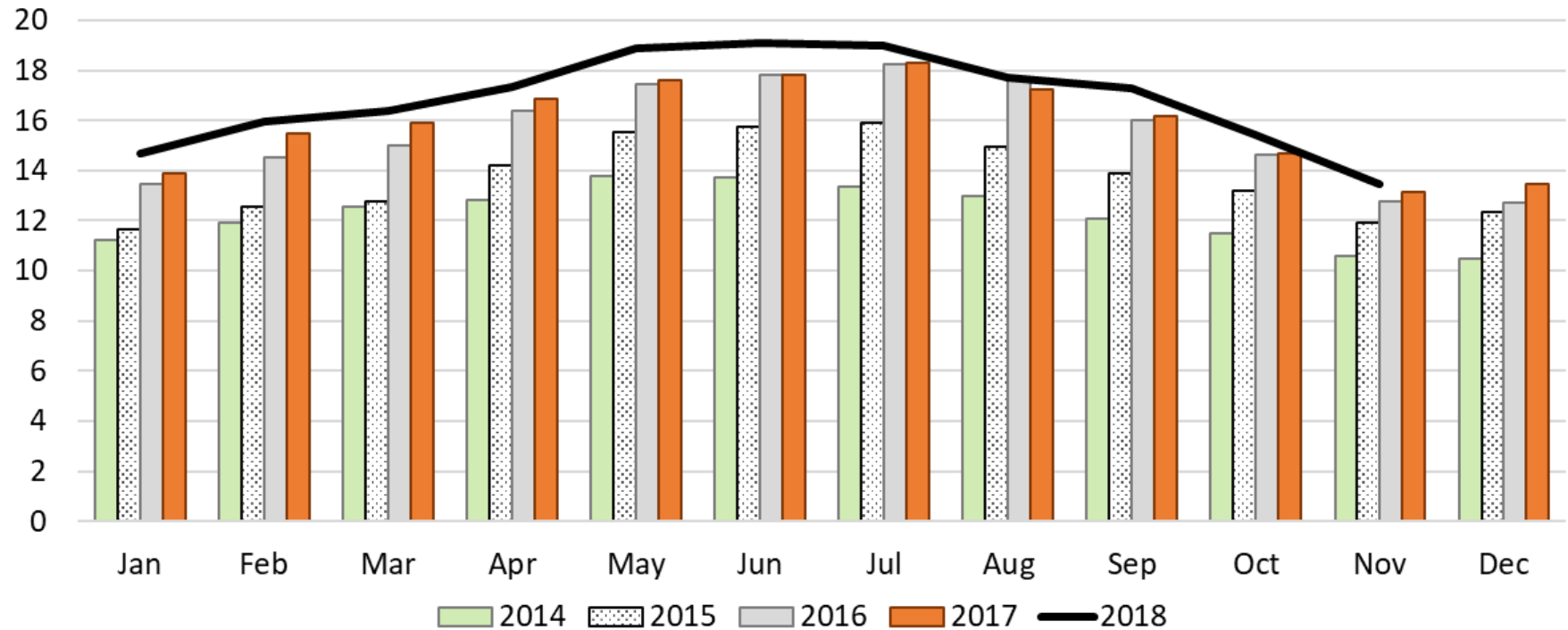


Sources: ERS/USDA; WAOB/USDA

### Ending Stocks, Milk-Fat Basis

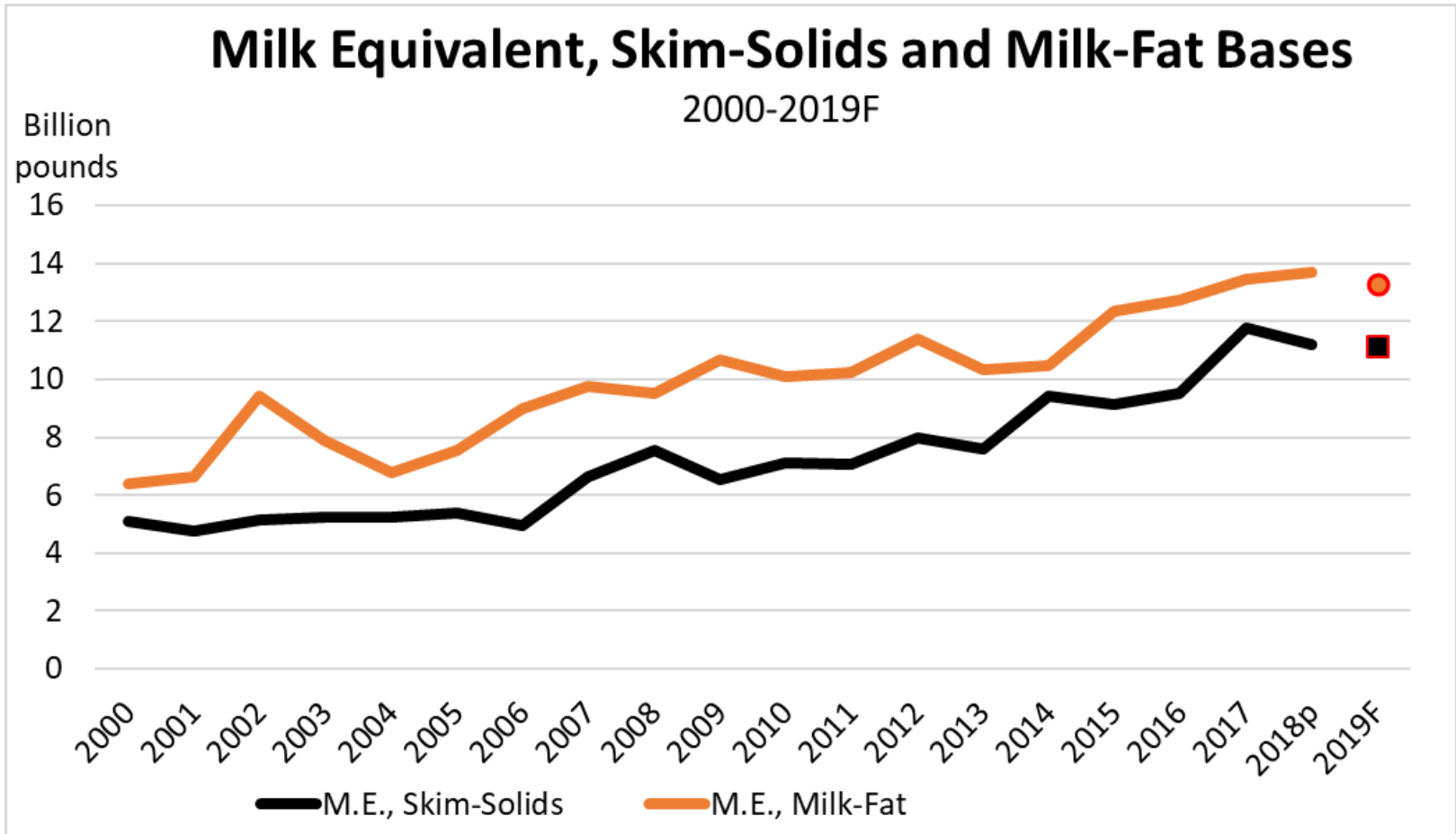
Milk Equivalent, Monthly, 2014-2018

Billion pounds



Sources: ERS/USDA; WAOB/USDA

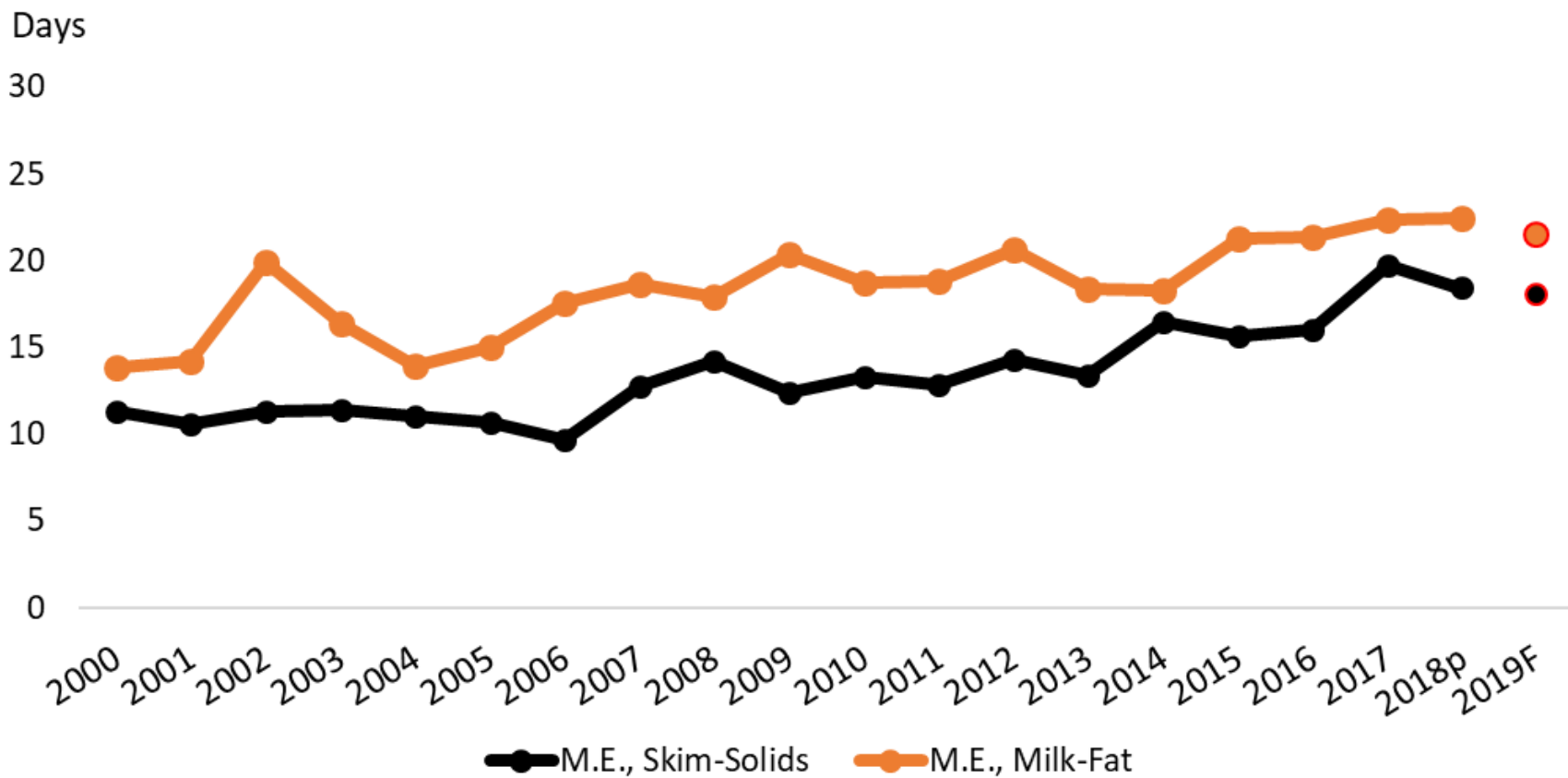
# Commercial Ending Stocks



Sources: ERS/USDA; WAOB/USDA

## Ending Stocks Expressed As Days of Total Use

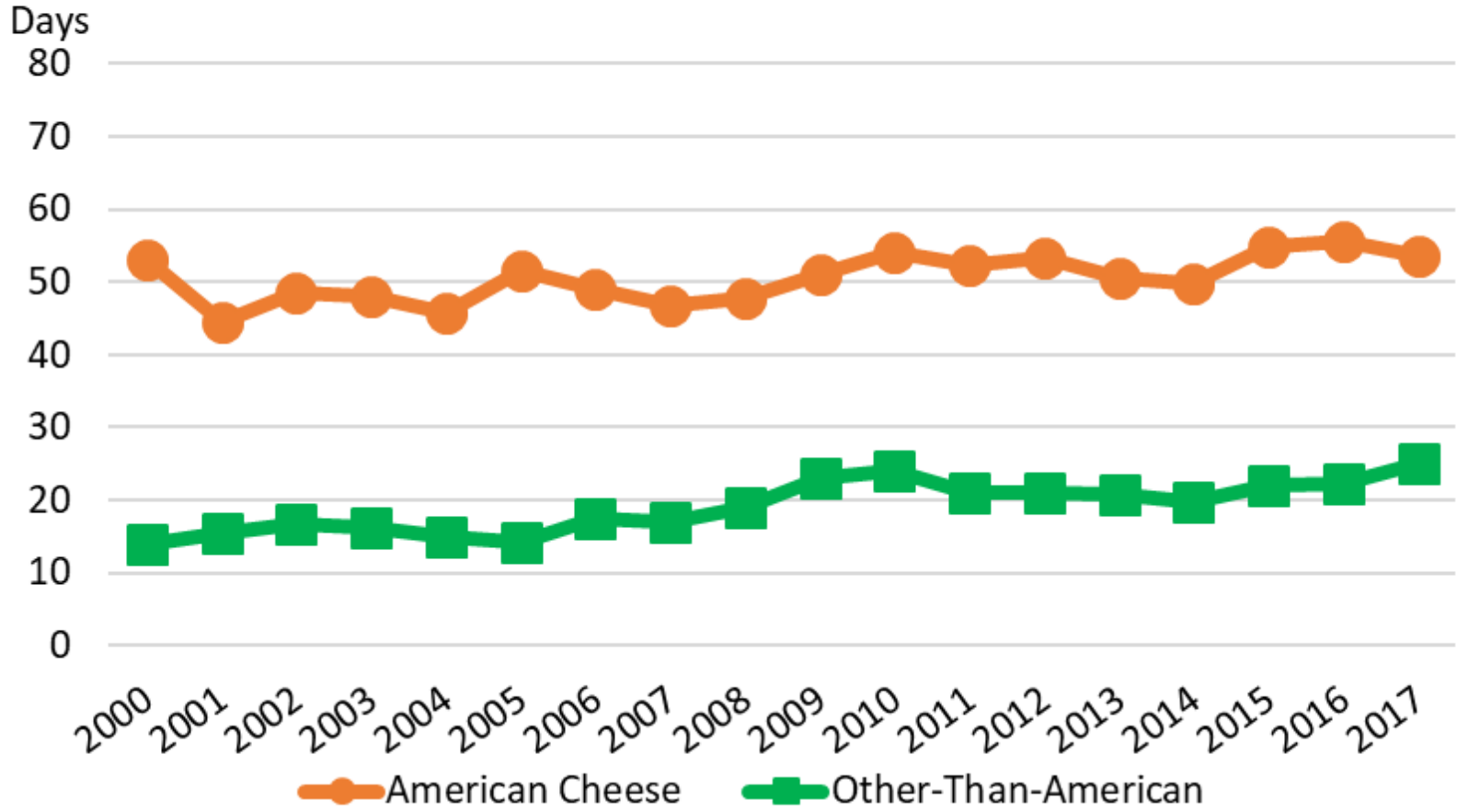
Milk Equivalent, Skim-Solids and Milk-Fat Basis, 2000-2019F



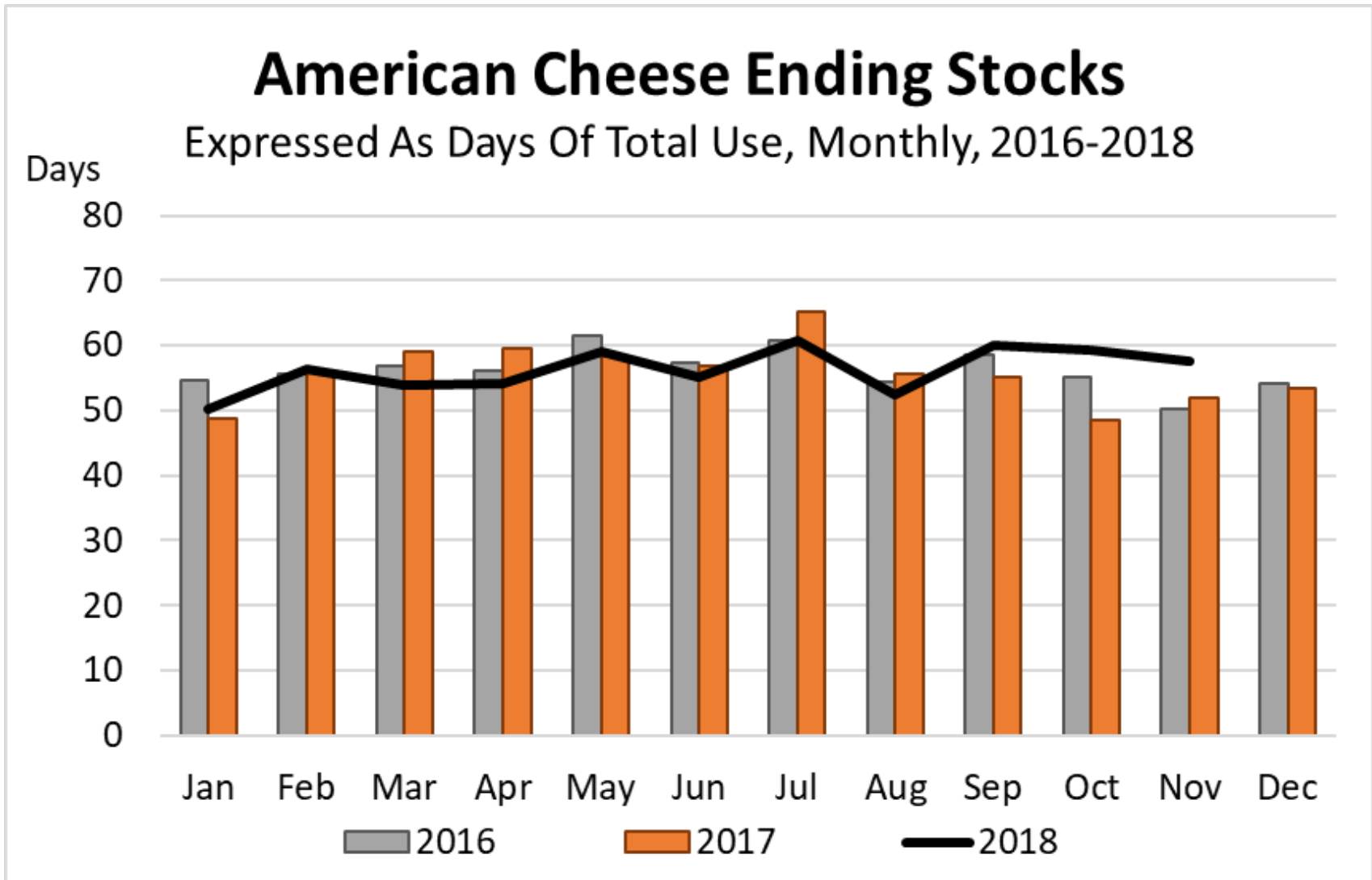
Sources: NASS/USDA (as compiled by ERS); WAOB/USDA

# Cheese Ending Stocks

Expressed as Days of Total Use, 2000-2017



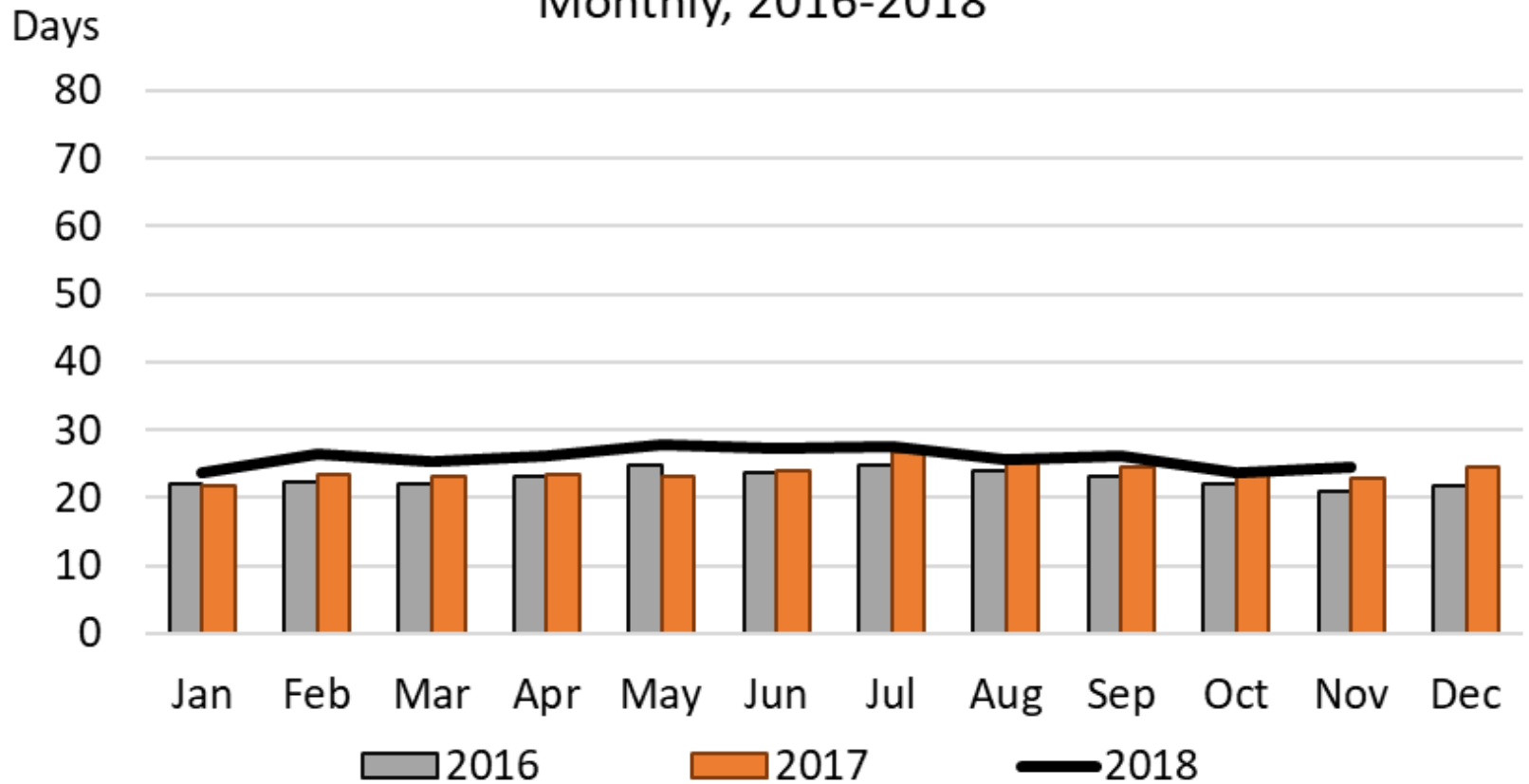
Sources: NASS/USDA (as compiled by ERS)



Sources: Sources: NASS/USDA (as compiled by ERS)

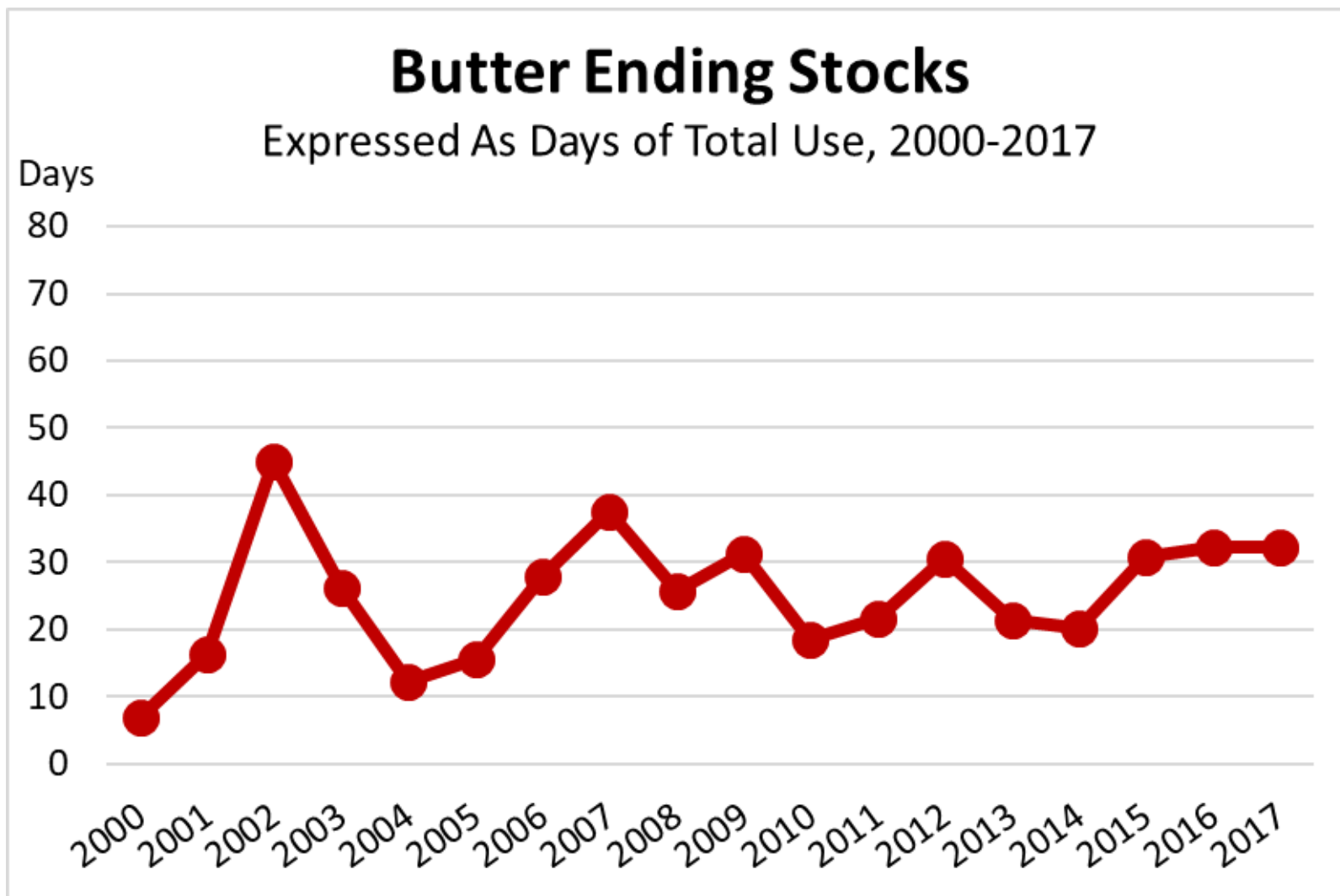
## Other Than American Cheese

Ending Stocks Expressed As Days of Total Use  
Monthly, 2016-2018

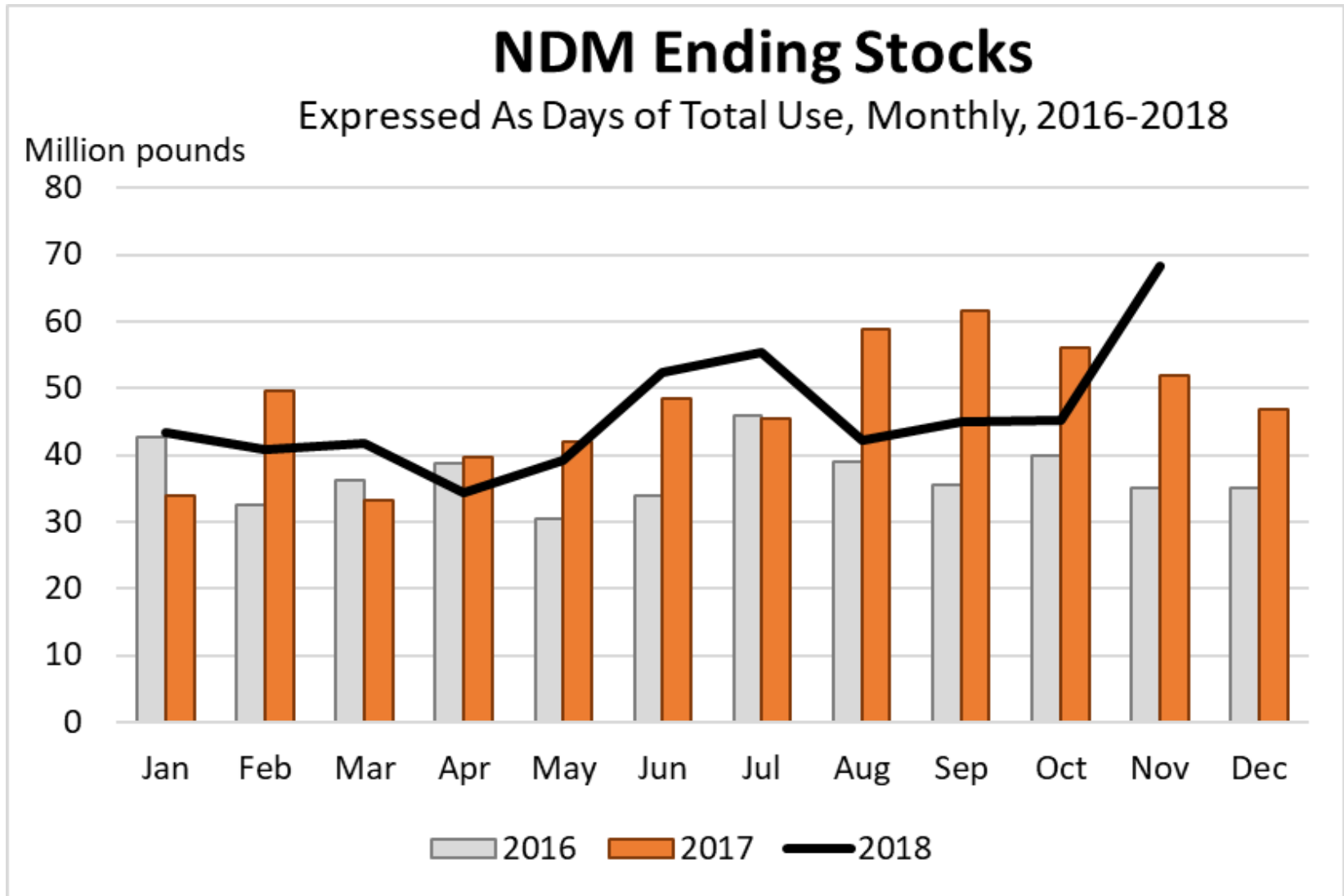


Sources: Sources: NASS/USDA (as compiled by ERS)

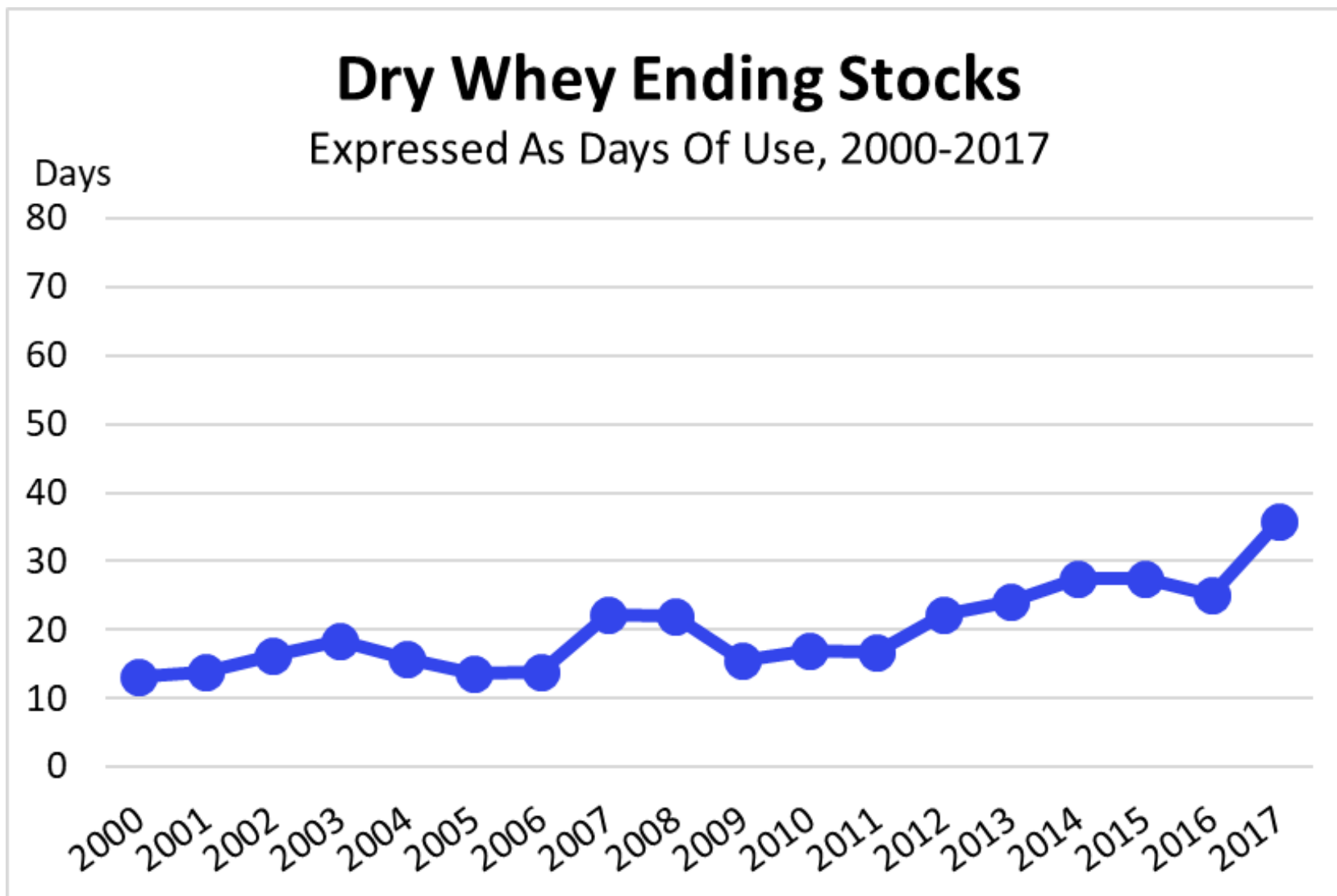




Sources: Sources: NASS/USDA (as compiled by ERS)



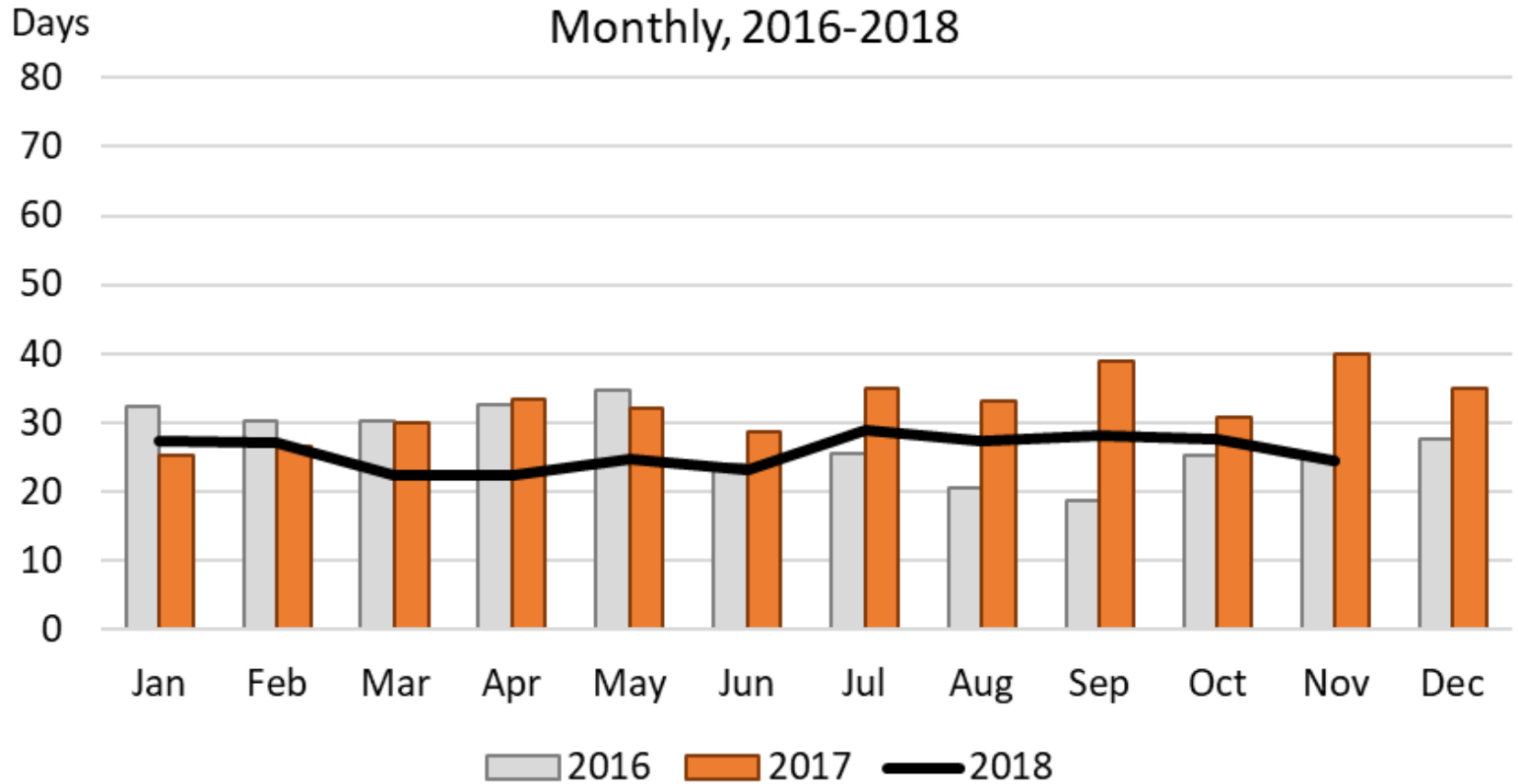
Sources: Sources: NASS/USDA (as compiled by ERS)



Sources: Sources: NASS/USDA (as compiled by ERS)

## Dry Whey, Ending Stocks

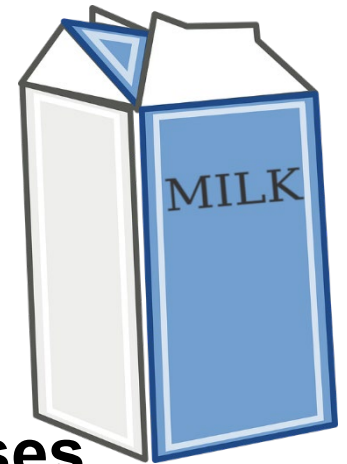
Expressed as Days of Total Commercial Use  
Monthly, 2016-2018

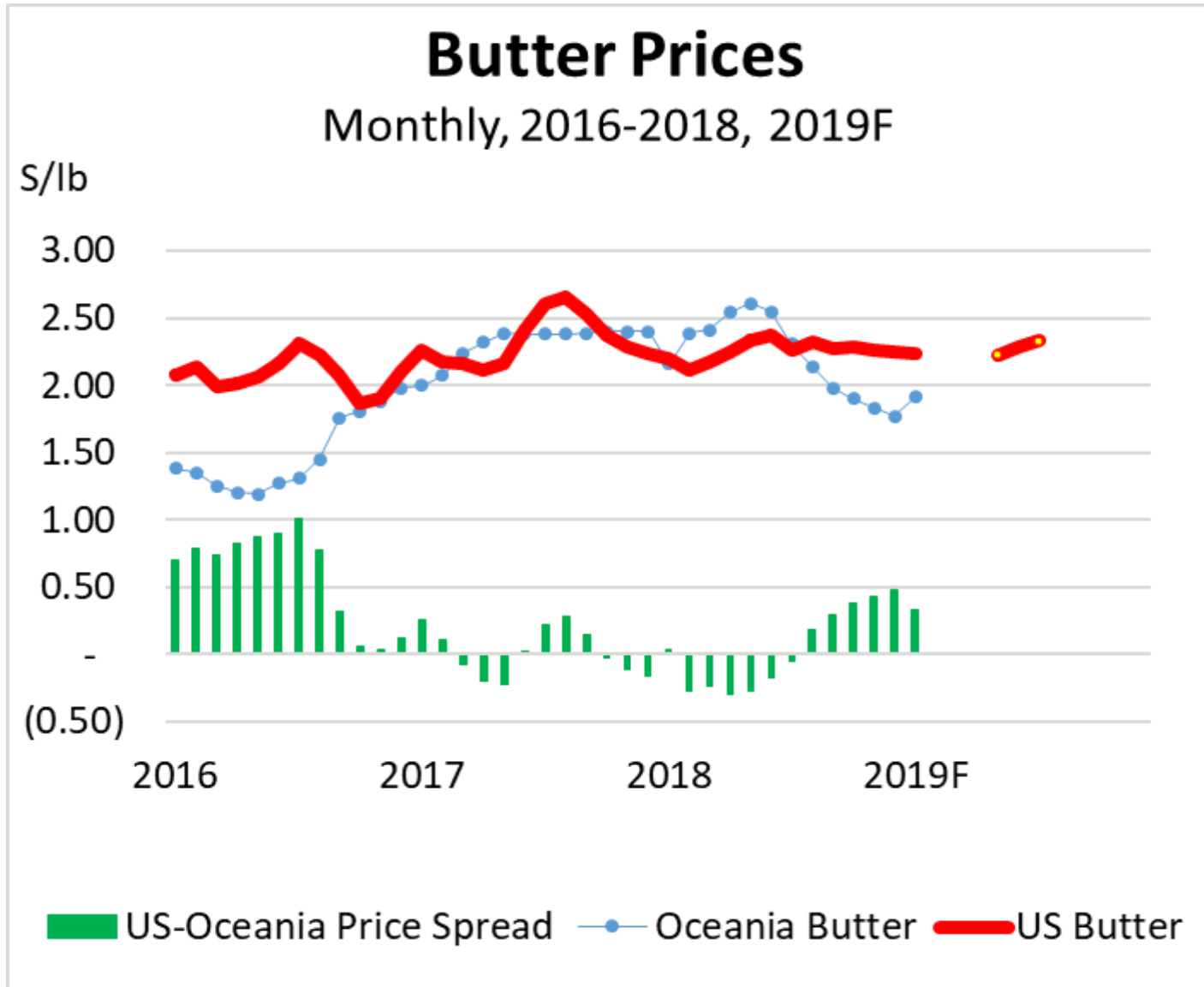


Sources: NASS/USDA (as compiled by ERS)

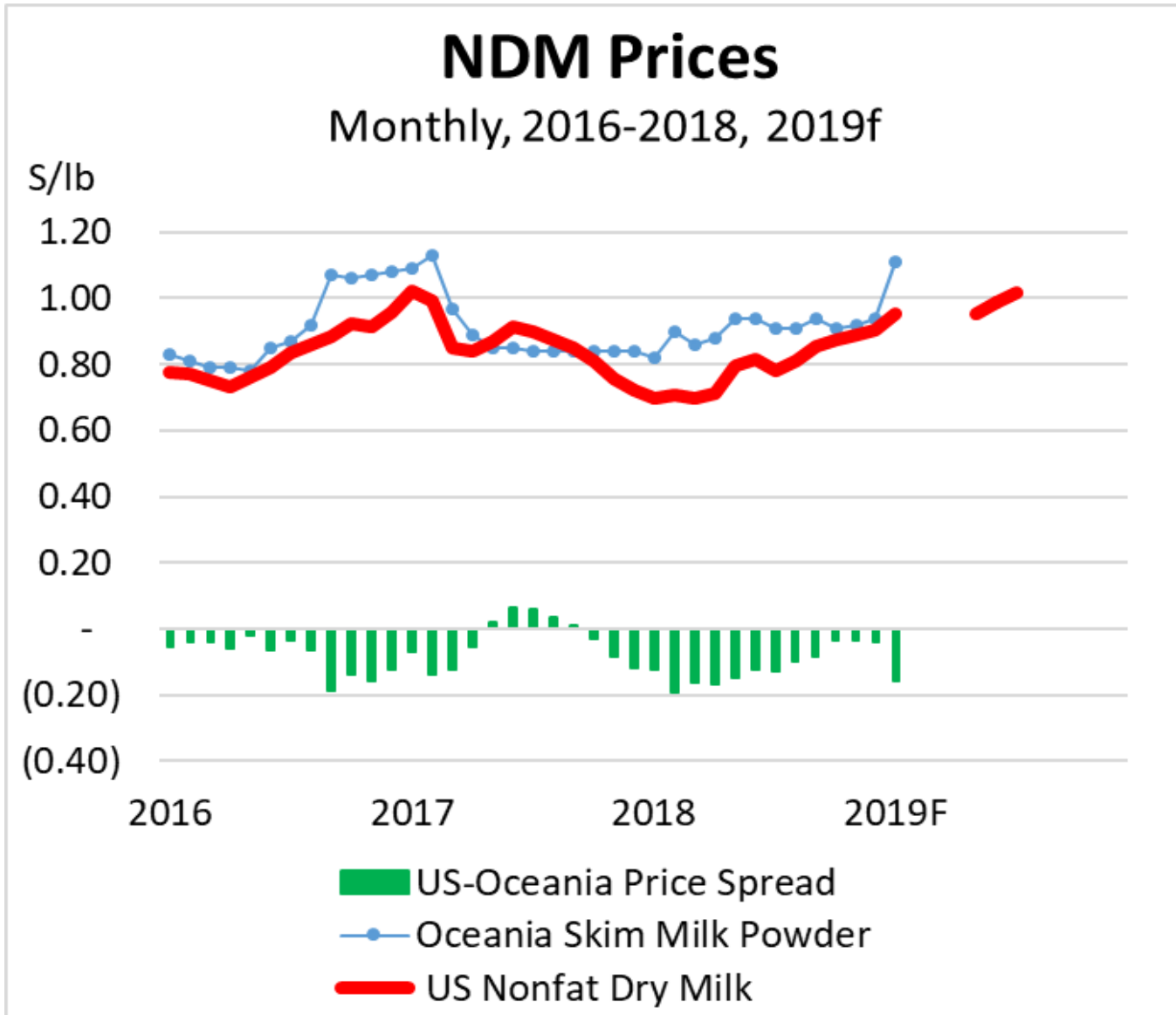
## “CCC Donations”

- **Non-zero in WASDE report in 2019**
- **Trade mitigation / CCC funds**
  - 300 million pounds milk-fat basis 2019
  - 200 million pounds skim-solids basis 2019
- **Separate from Section 32-funded purchases**
  - Food donation programs
  - Included in domestic commercial disappearance
  - 2018 1<sup>st</sup> fluid milk purchase for donation to food banks

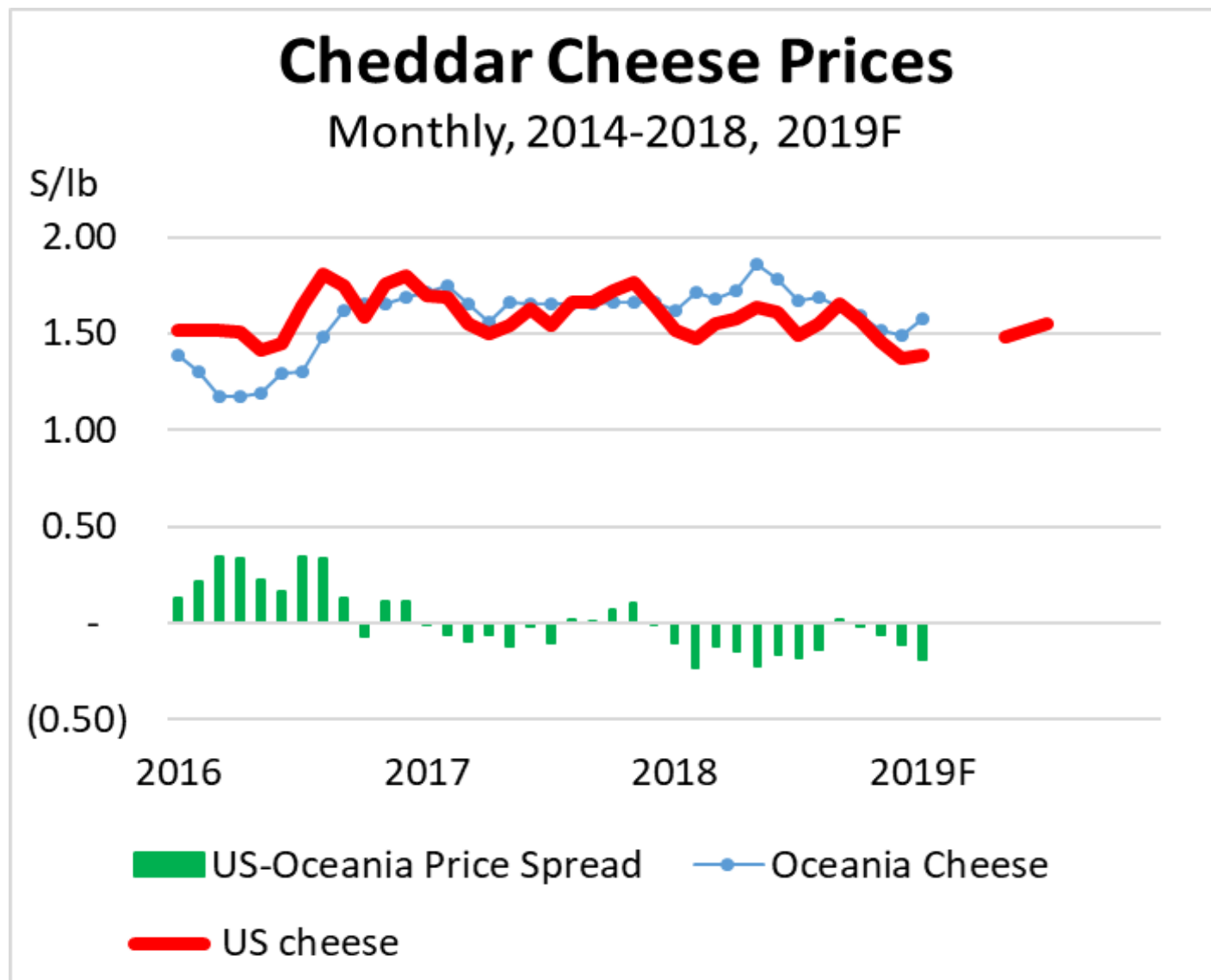




Source: AMS/USDA

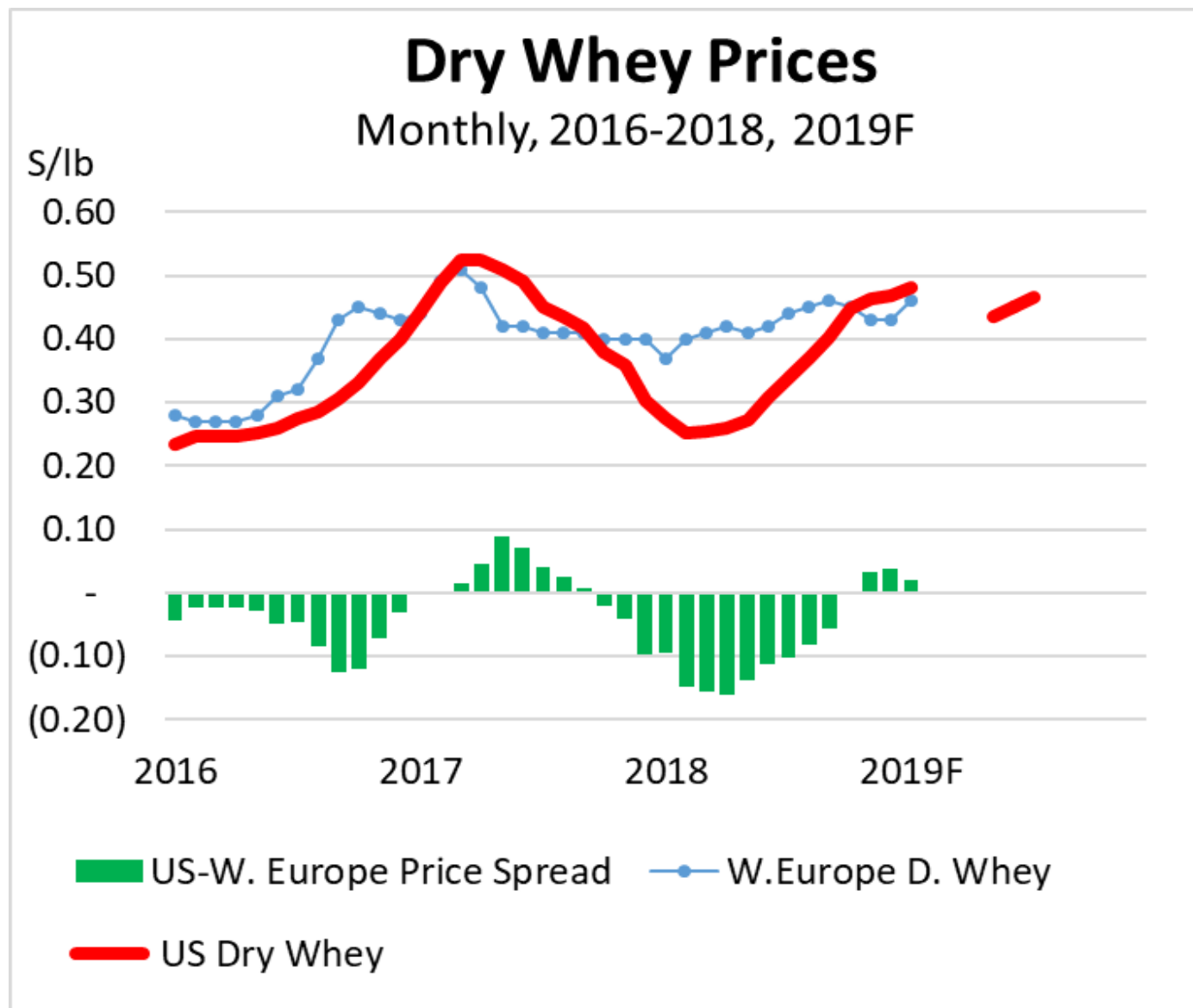


Source: AMS/USDA

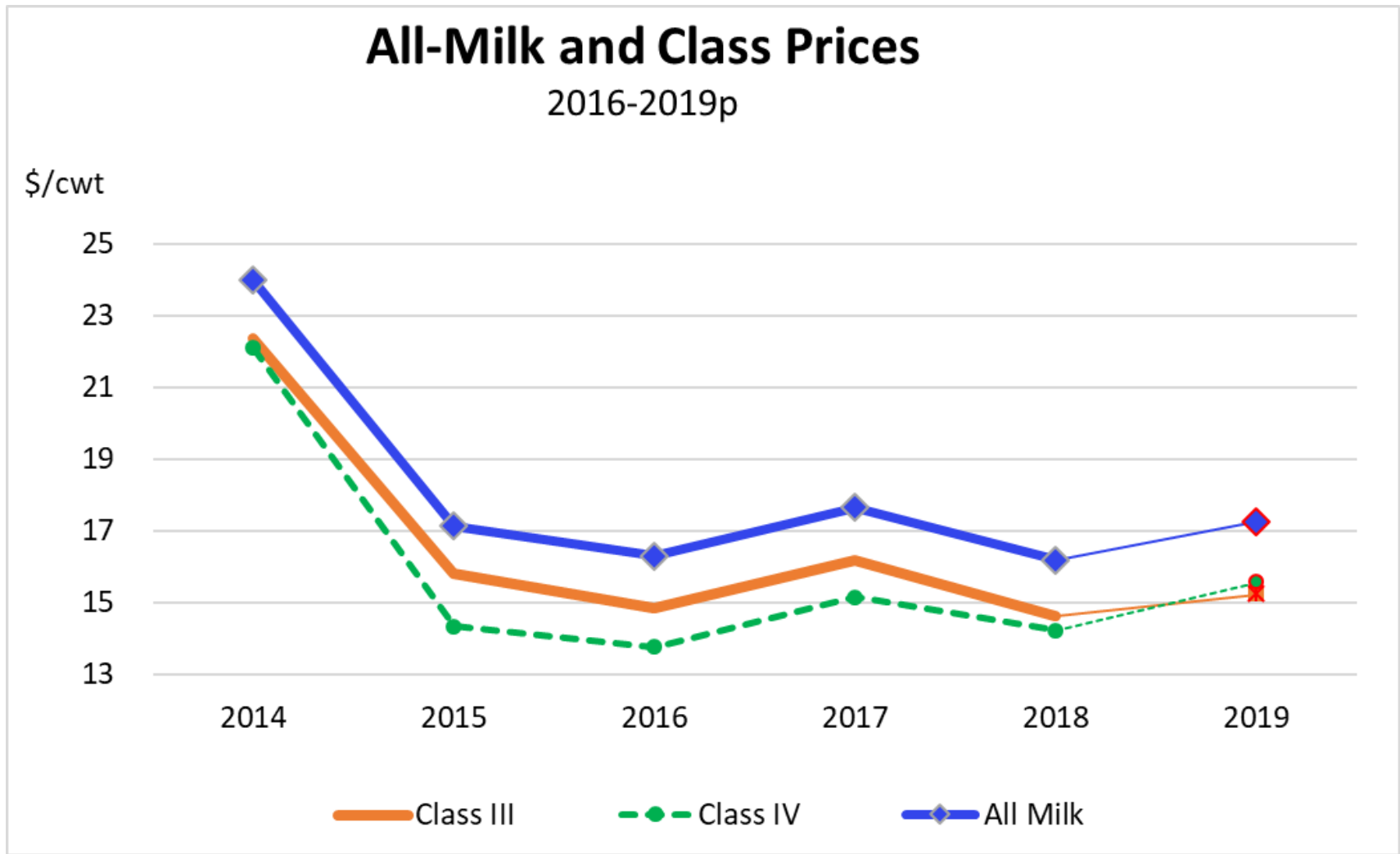


Source: AMS/USDA





Source: AMS/USDA



Source: AMS/USDA

# Long-term projections

- Starting point = short-term forecasts based on October 11, 2018 (WASDE)
- Useful for impact analyses
- Total milk production +1.4% annual average
- Exports to increase +2% milk-fat and +3% skim-solids bases ave/year, 2020-2028
- Prices to increase by 2028:

Butter prices	+ \$0.33/lb
NDM prices	+ \$0.24/lb
Cheese prices	+ \$0.13/lb
Whey prices	+ \$0.01/lb
All-milk price	+ \$2.25/cwt

## Links

Additional information about the dairy forecast and current market information:

**World Agricultural Supply and Demand Estimates**

<http://www.usda.gov/oce/commodity/wasde/index.htm>

**Livestock, Dairy, and Poultry Situation and Outlook**

<https://www.ers.usda.gov/publications/>

**Dairy: World Markets and Trade**

<https://www.fas.usda.gov/data/dairy-world-markets-and-trade>

**Dairy Program/Agricultural Marketing Service**

<https://www.ams.usda.gov/about-ams/programs-offices/dairy-program>

**Current Dairy Market News:**

<https://www.ams.usda.gov/market-news/dairy>

# Interagency Commodity Estimates

## Committee--Dairy:

Shayle Shagam, ICEC Chair, WAOB

Jerry Cessna, ERS

Paul Kiendl, FAS

Carolyn Liebrand, AMS

Milton Madison, FPAC



# Dairy Program Economic Analysis

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**TEAM  
USDA**



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**Thank You**