

# Redesigning Our Dairy Industry

University of Missouri - Grazing Conference

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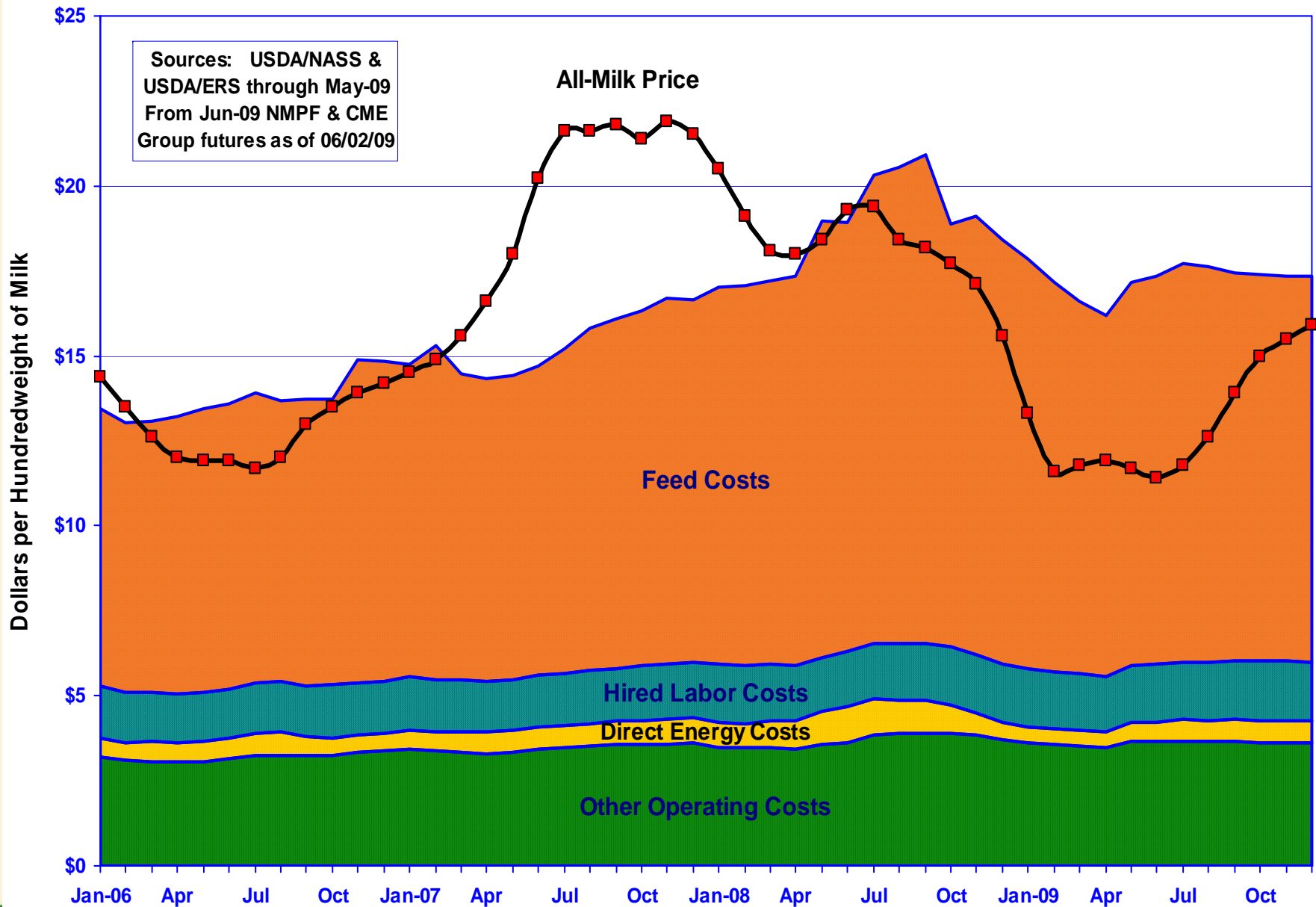
July 8, 2009



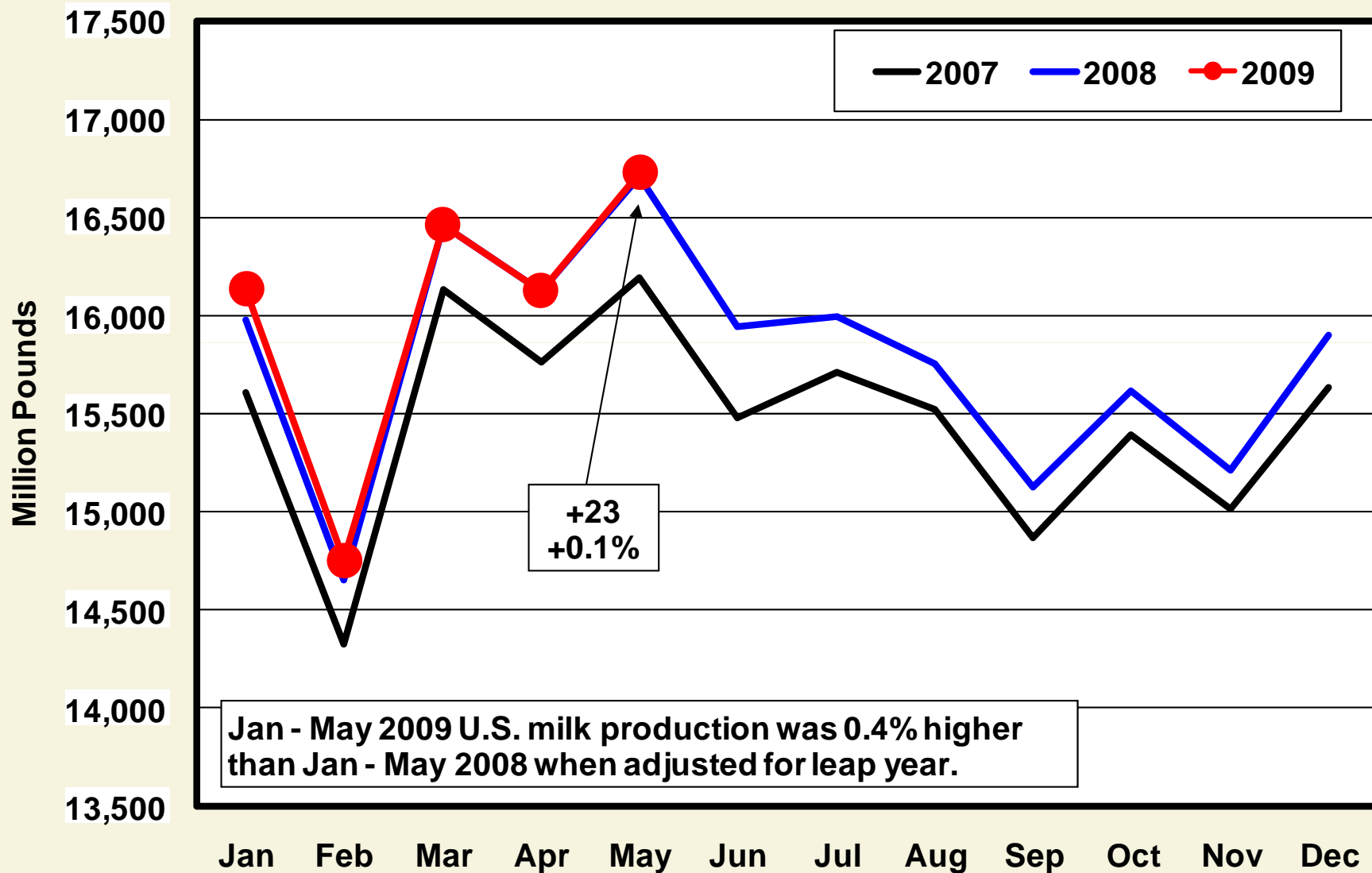
# The State Of The Industry

- Going through an unprecedented price cycle due to a convergence of factors:
  - Oversupply of milk
  - High input costs
  - Decreased worldwide demand – decreased exports
  - Financial crisis – no credit

# U.S. Milk Prices and Costs of Production



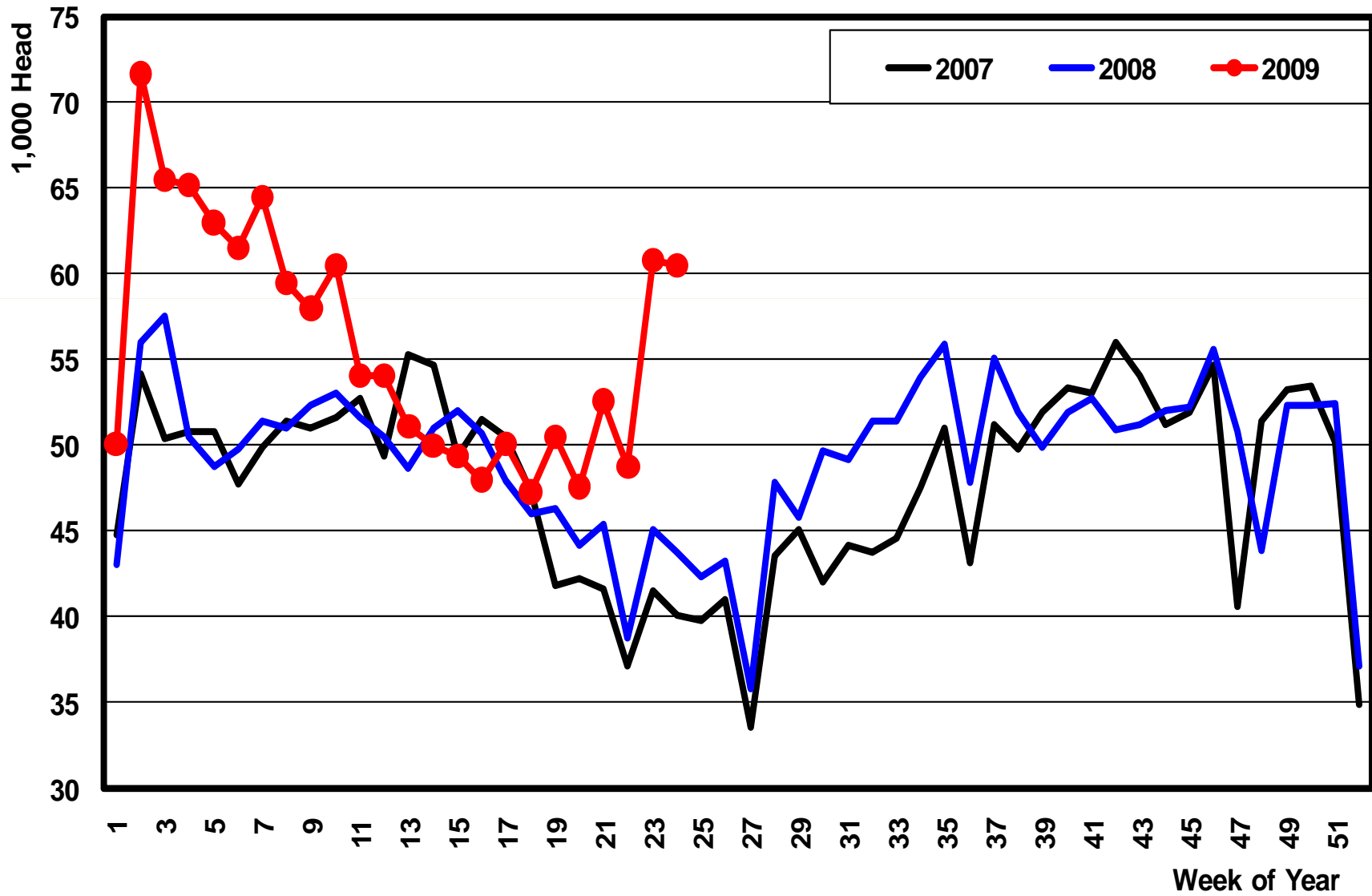
# Monthly U.S. Milk Production



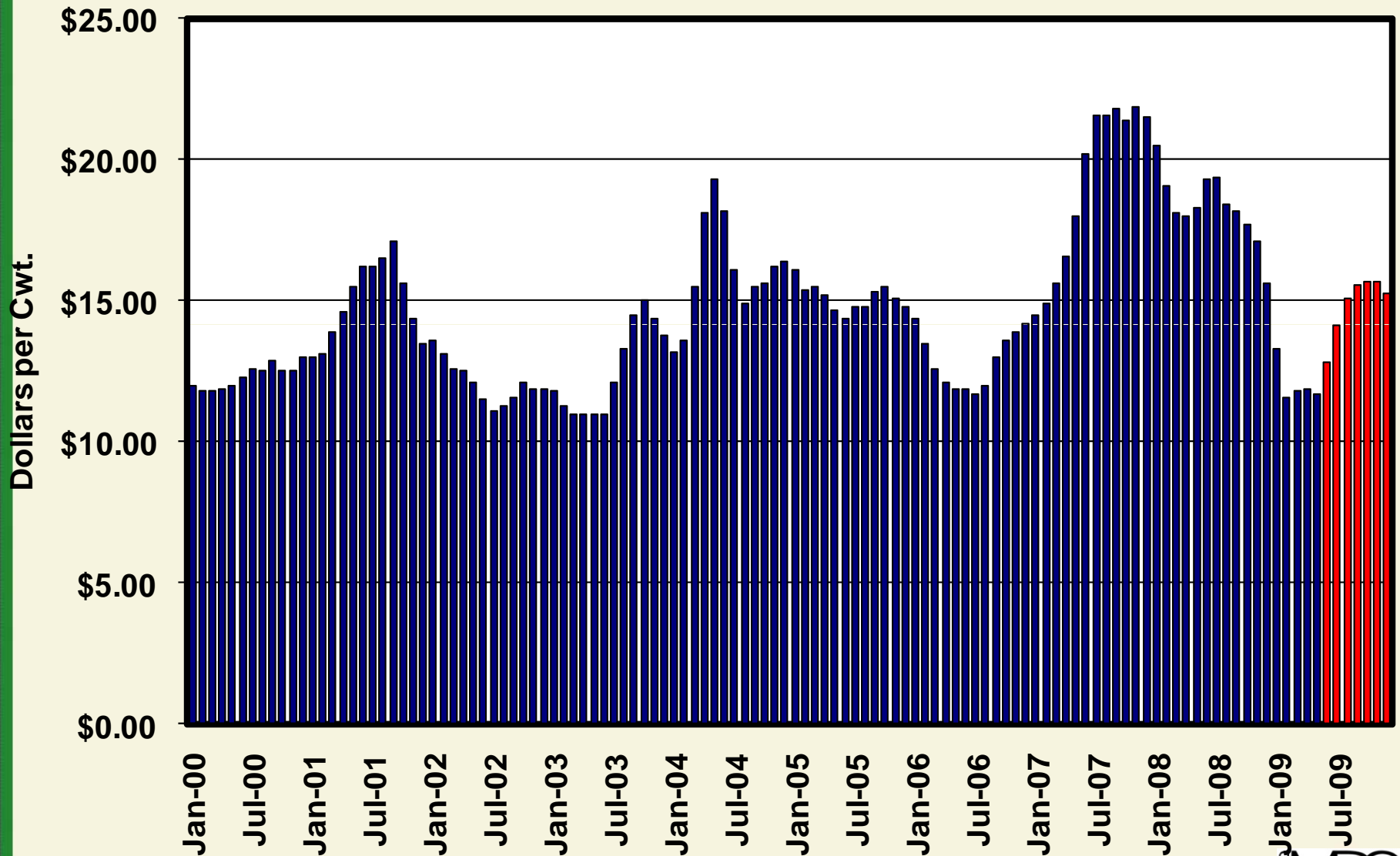
# U.S. Dairy Cow Numbers



# Weekly U.S. Dairy Cow Slaughter



# Monthly U.S. All Milk Price



# What Is The Industry Doing?

- Short Term?
- Long Term?



# Short Term

- Cooperatives Working Together (CWT)
- Dairy Export Incentive Program (DEIP)
- Demand
- Price Support

# Long Term

- Dairy Farmers of America, Inc.
- National Milk Producers Federation

# DFA Price Stabilization Committee

- Created in May 2009
- Establish guiding principles
  - Market orientated
  - Responsive
  - 100 percent participation
  - Global in nature
  - National in scope, with ability to implement regionally

# NMPF Task Force

- Created in June 2009
  - Objective: find a long-term solution to price stabilization
  - Listening sessions scheduled for July 21- 22
- Task Force Subcommittee
  - Objective: examine partial herd retirement concepts

# What Can You Do To Weather These Cycles In The Future?

# I Turned to Grazing...

- Began my intensive grazing operation in 1991
- Partnership with Kent Miller in 2001
- Currently milk 250 cows
- Grassland Consultants 2005



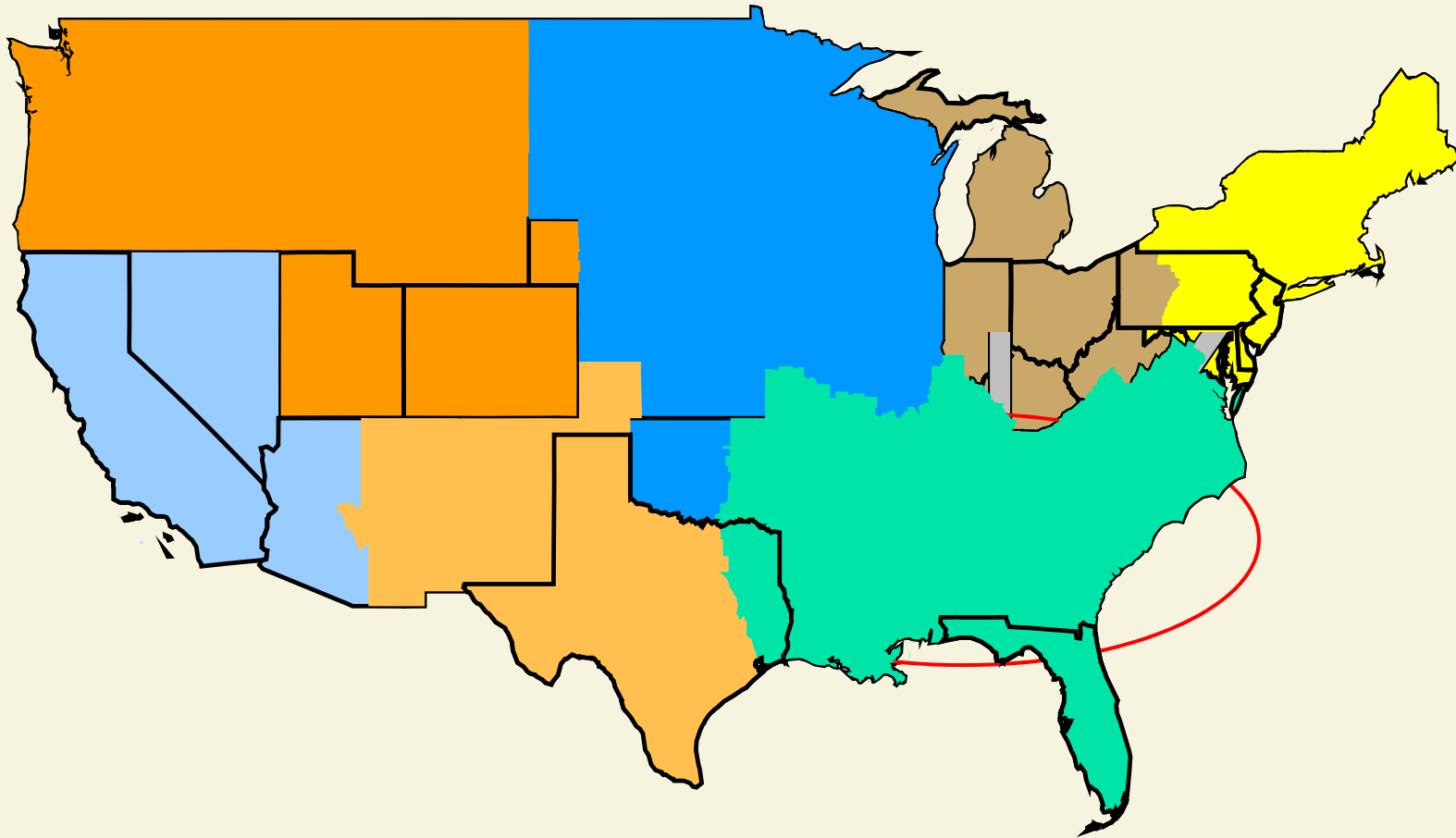








# Milk Movement to the Southeast



Due to the deficit milk supply, milk is hauled from all over the country to supply the needs in the Southeast.

# Grazing Provides an Opportunity in Many Ways...

- Control of costs
- Quality of Life
- Sustainability
- Environmental issues
- Local milk supply

THANK YOU