

# DailyDairy



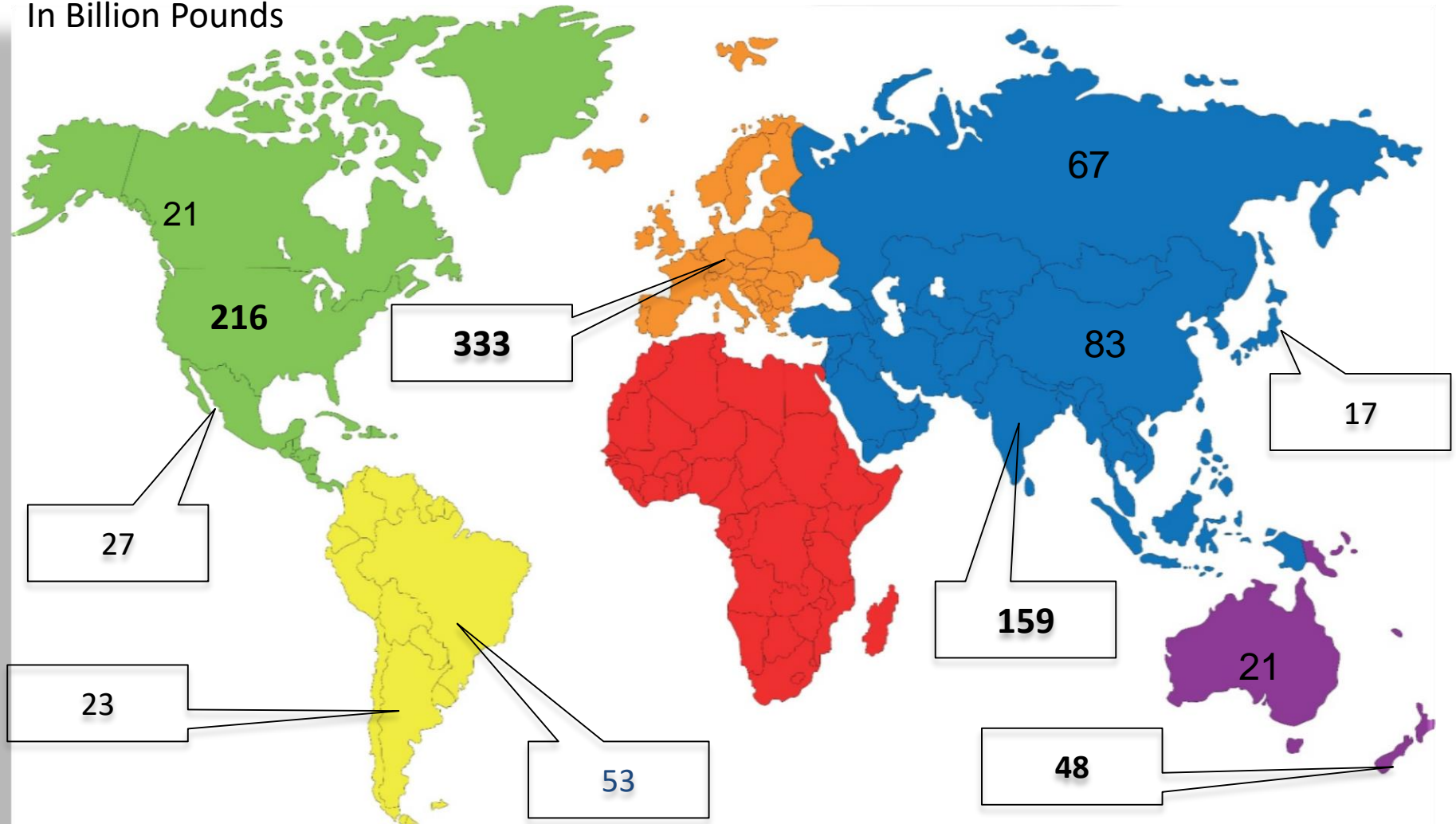
Mary Ledman  
[mary@dailydairyreport.com](mailto:mary@dailydairyreport.com)

# Outline

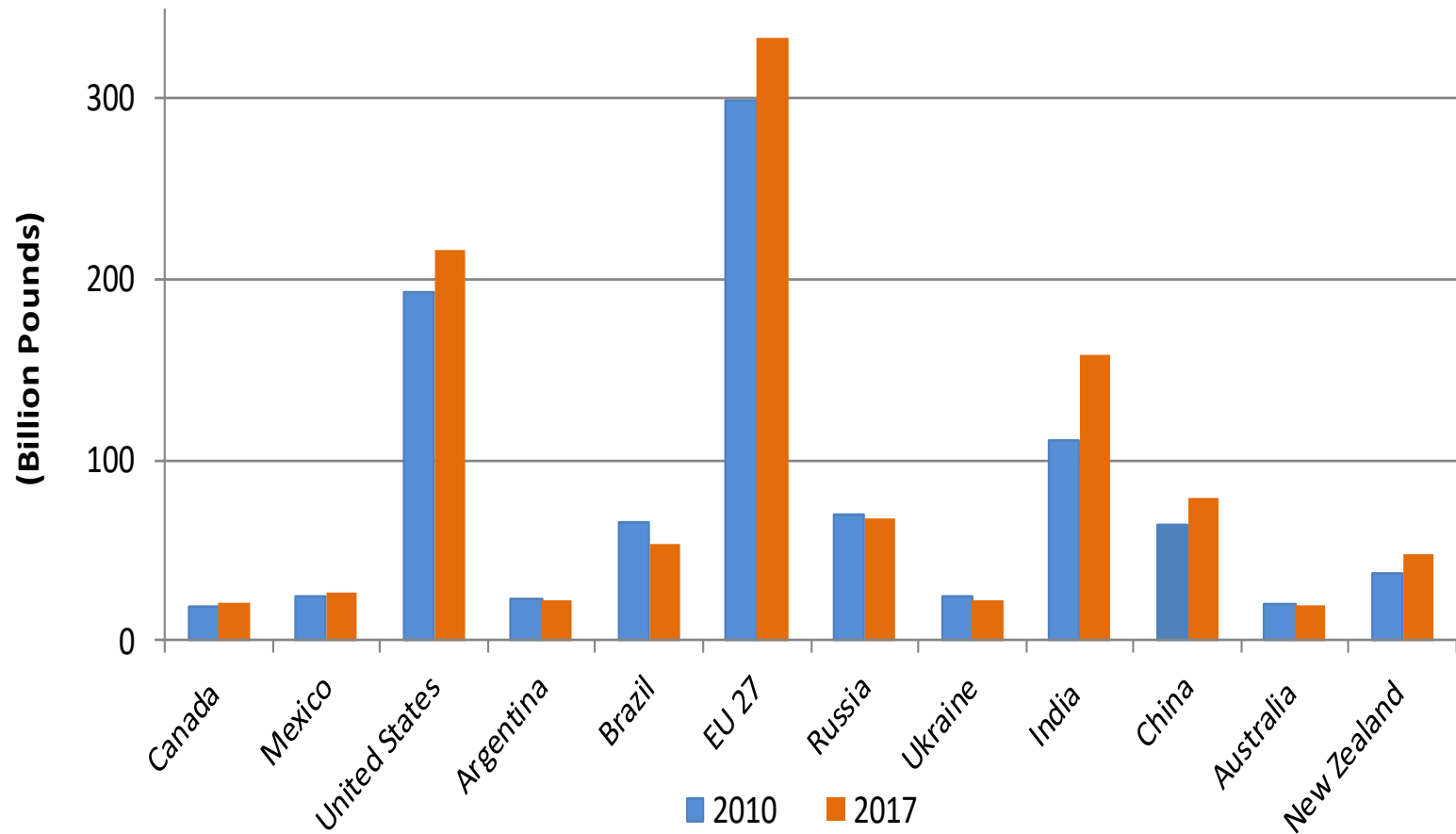
- Global Dairy Overview
- U.S Milk Production
- Dairy Product Production, Stocks, Trade
- Outlook

# Global Milk Production: Select Countries

In Billion Pounds

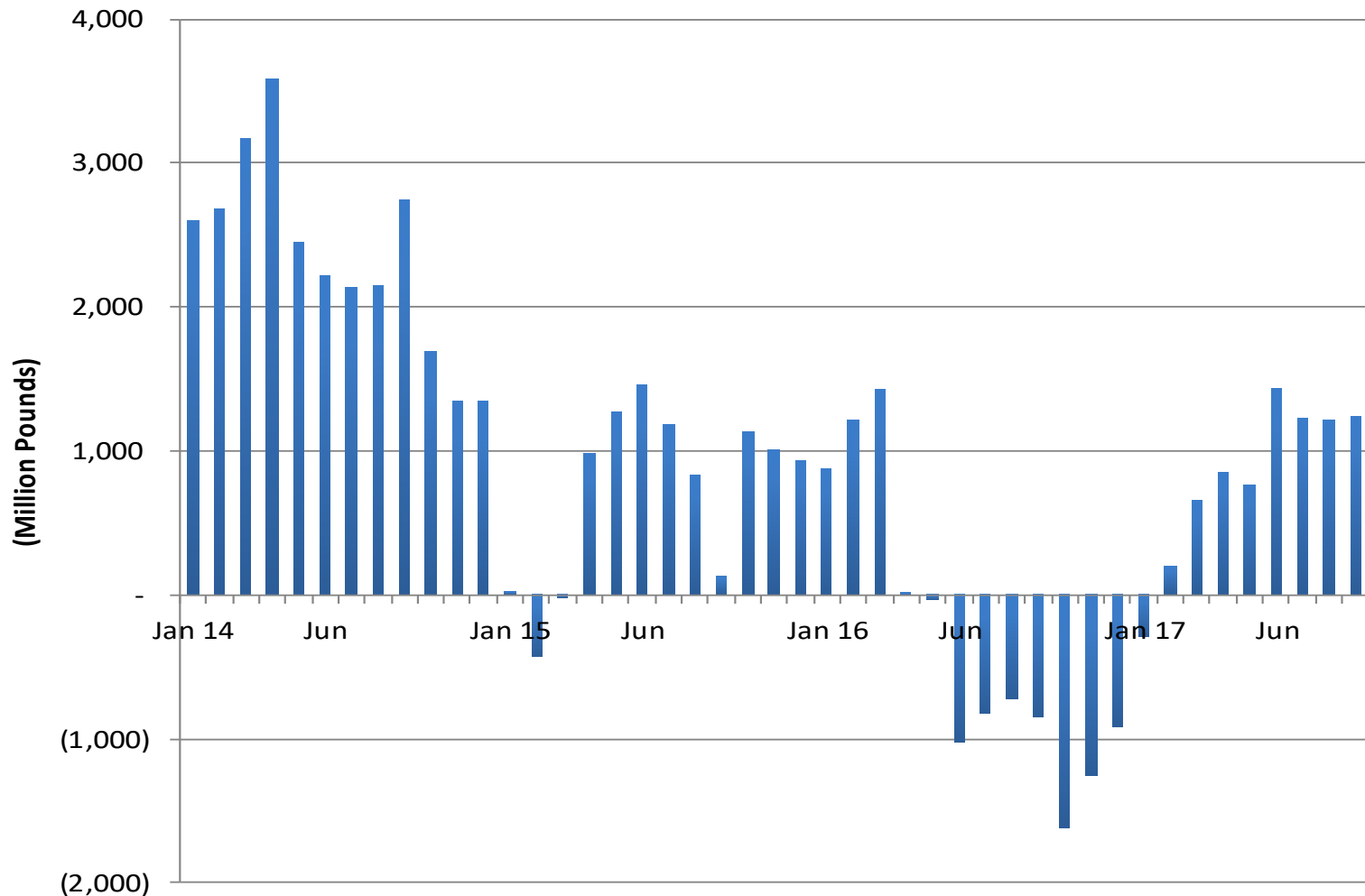


# Global Milk Production: Select Countries



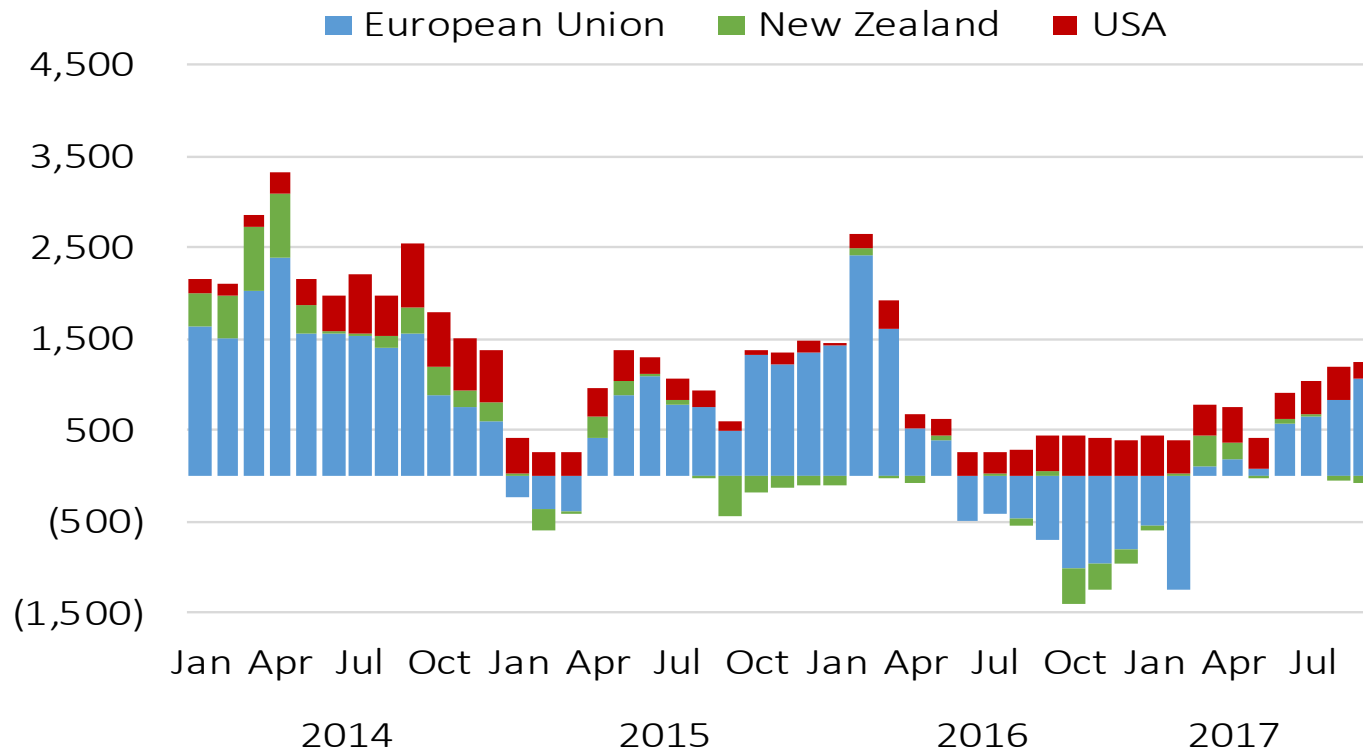
# Milk Production: AU&NZ, AR&BR, EU,US

## Year-over-year Change

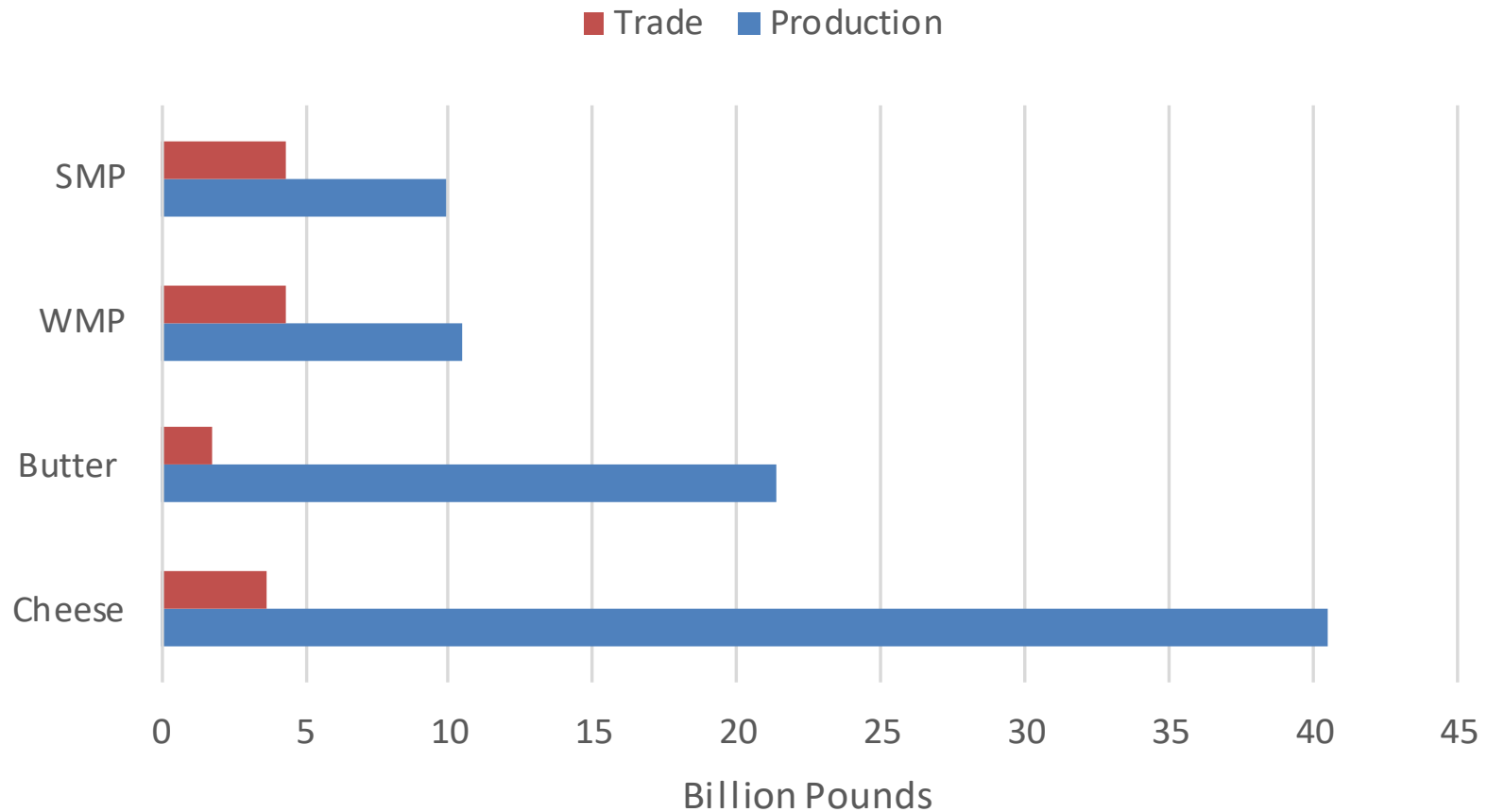


# YOY Change in Milk Production: US/EU/Oceania

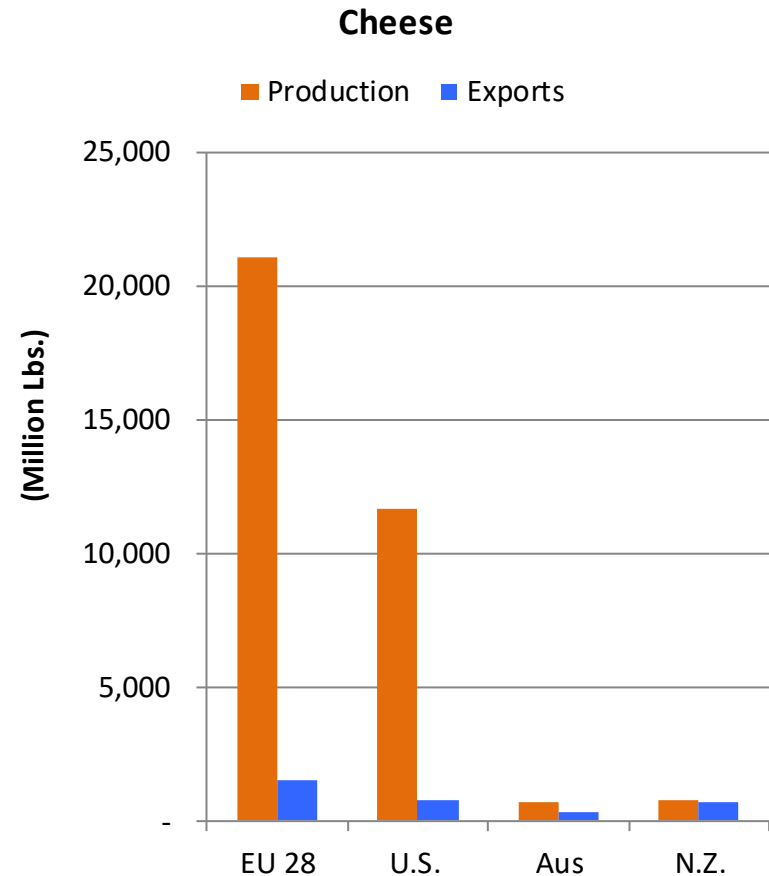
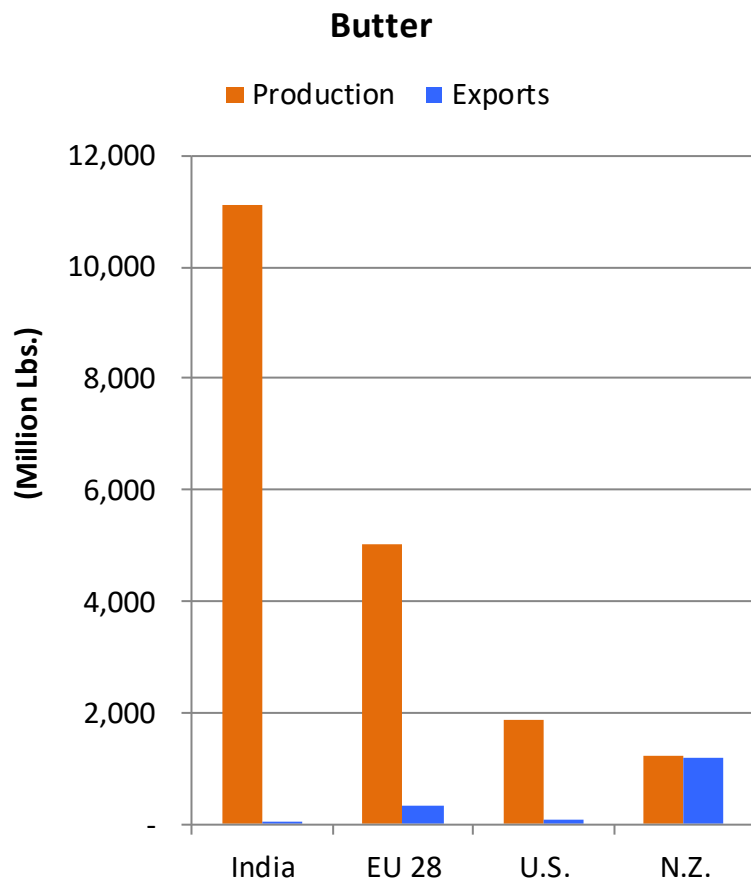
## YOY Change in Global Milk Production (30-day month, in million lbs.)



# Global Dairy Product Production and Exports

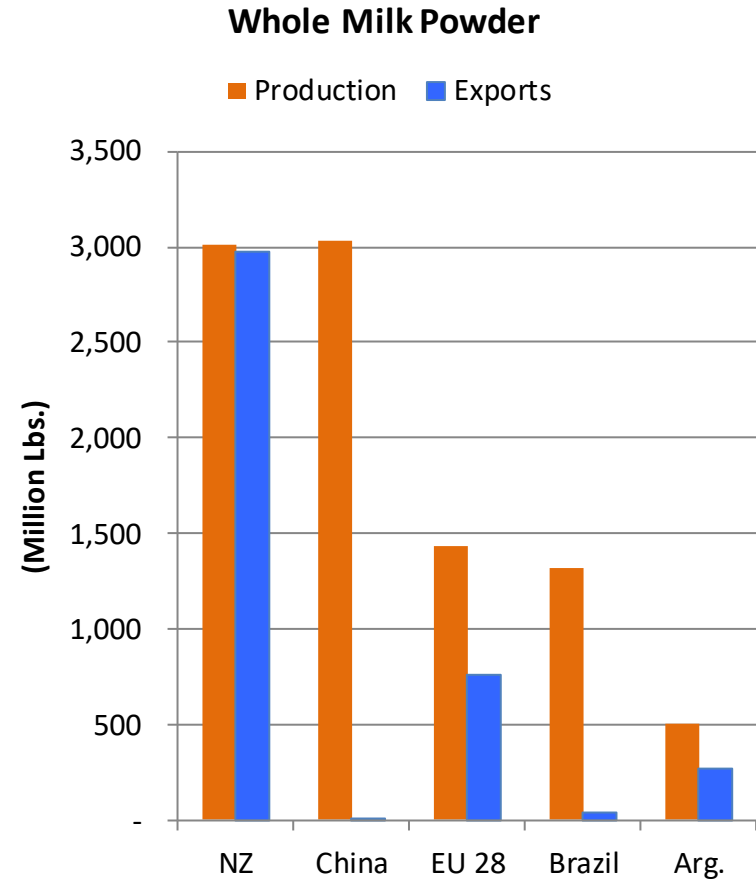
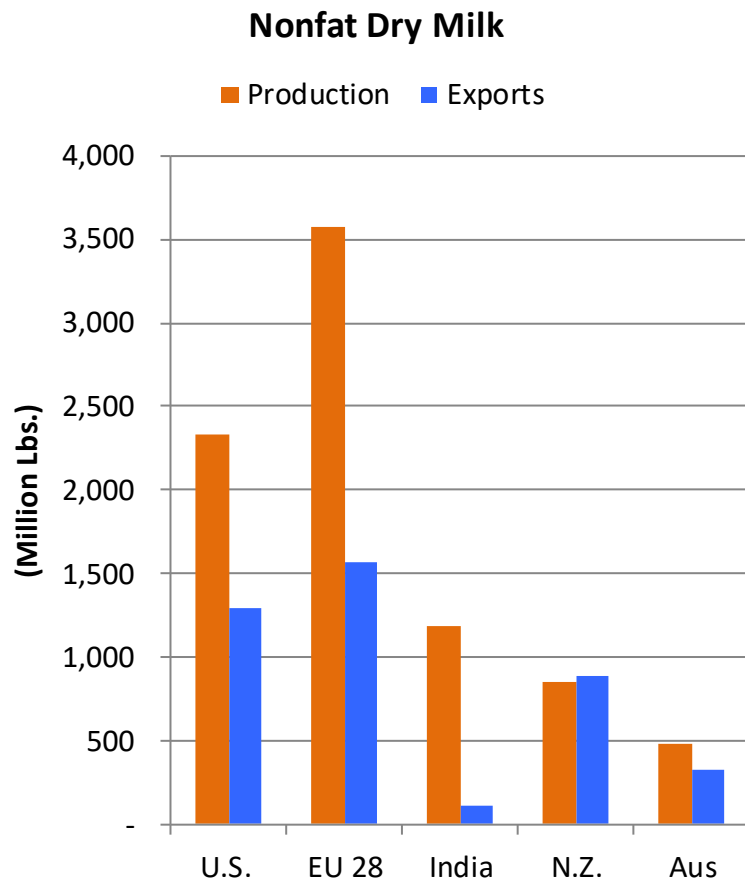


# Global Dairy Product Production and Exports





# Global Dairy Product Production and Exports

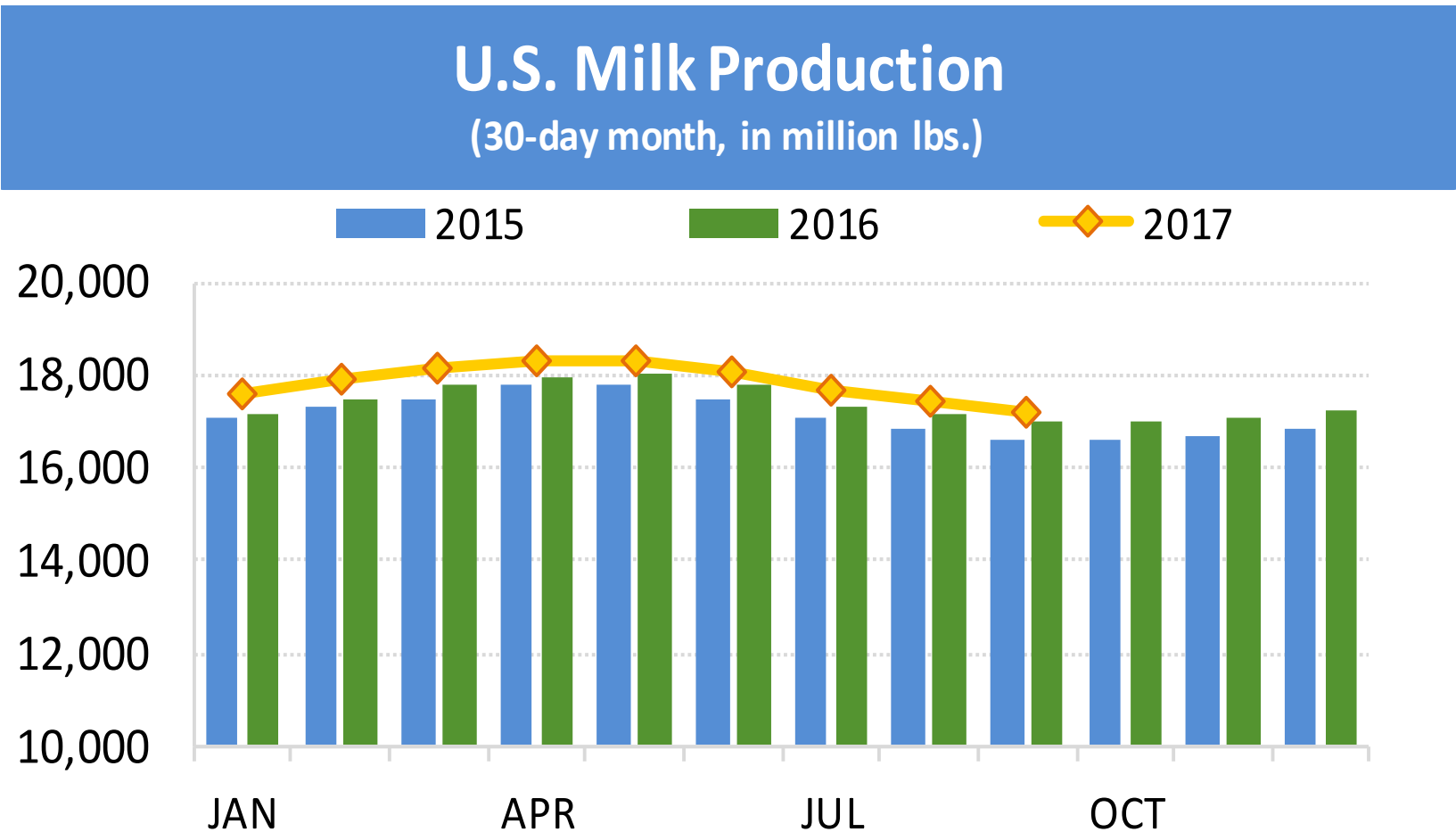


# DailyDairy

A graphic of a milk splash, showing a vertical stream of milk falling and creating a crown-like splash with several droplets, positioned to the right of the 'DailyDairy' text.

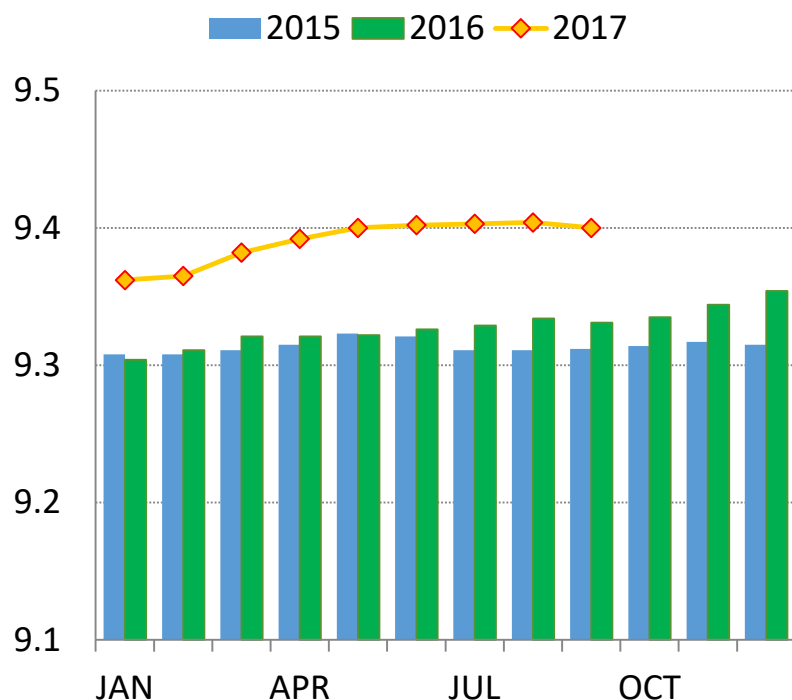
## U.S. and Regional Milk Production

# U.S. Milk Production

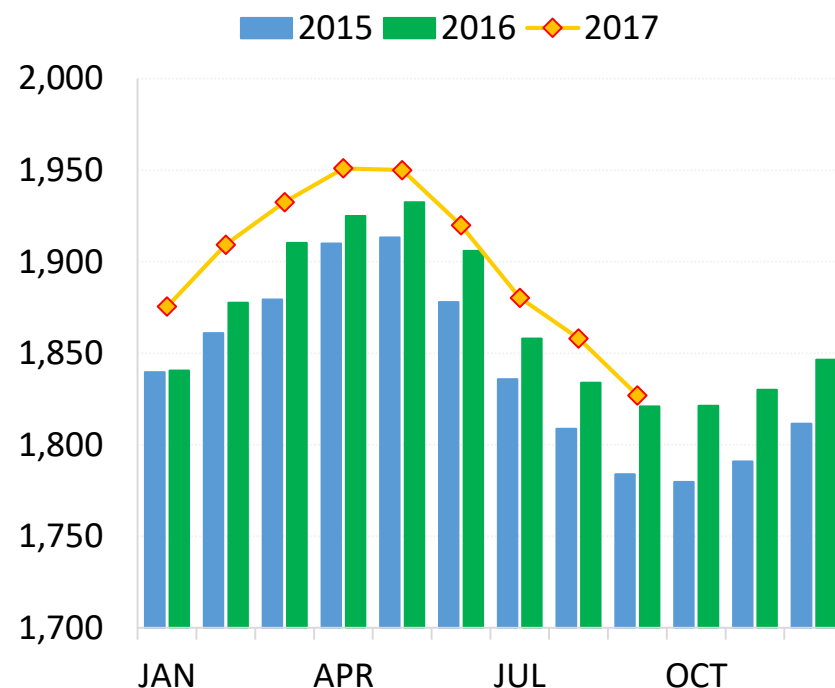


# U.S. Milk Production Data

**U.S. Dairy Cows  
(in million head)**

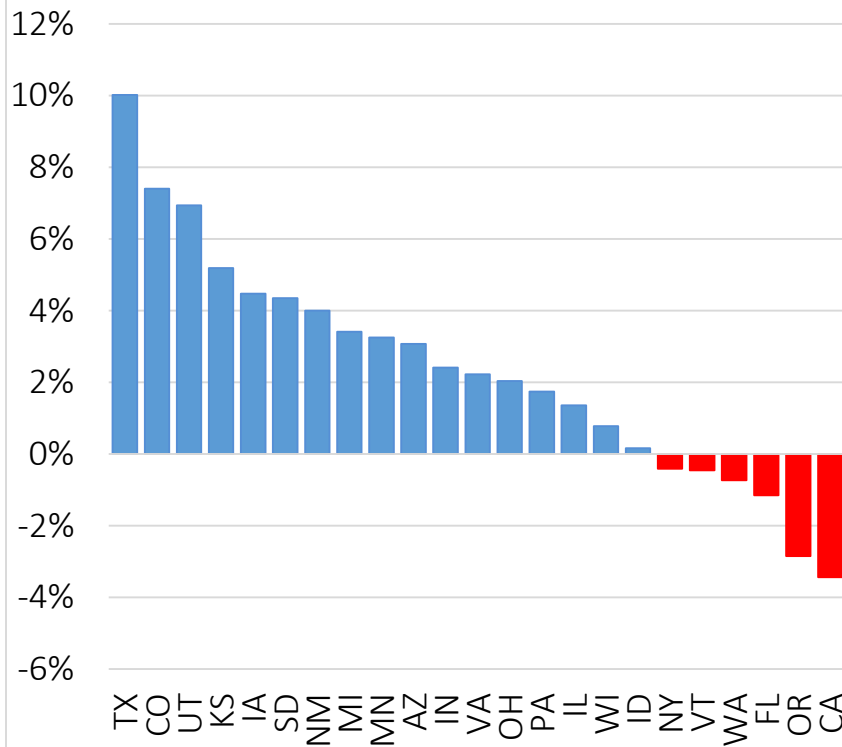


**U.S. Milk Per Cow  
(30-day month, in lbs.)**

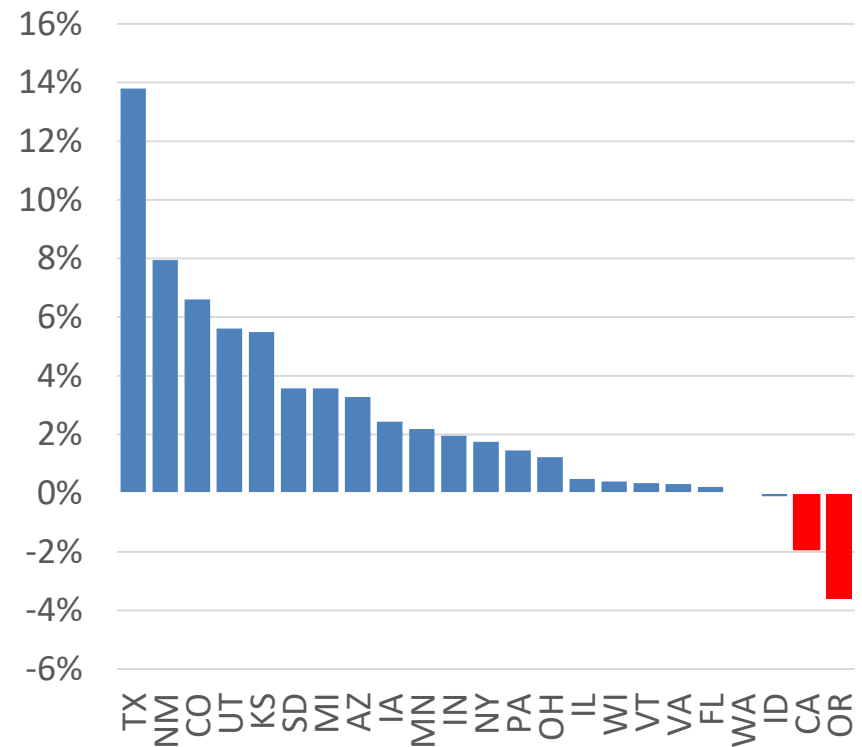


# U.S. Milk Production: Key States

September YOY Change in Milk Production



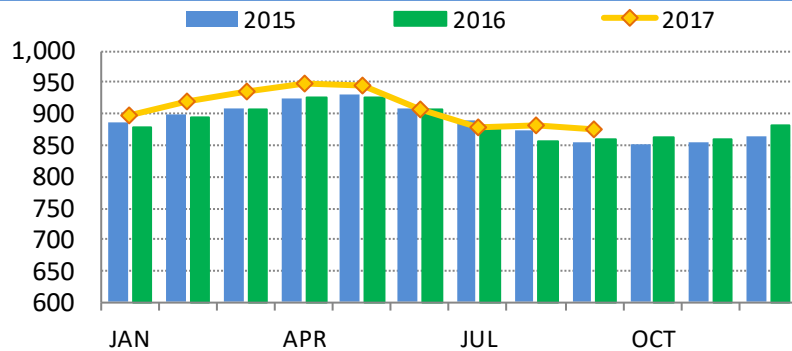
September YTD Change in Milk Production



# Pennsylvania

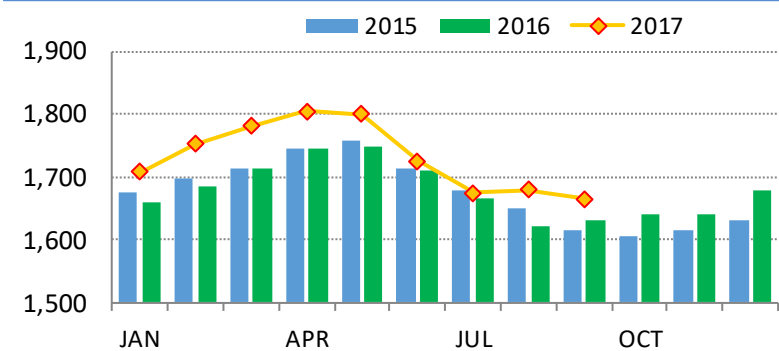
## Pennsylvania Milk Production

(30-day month, in million lbs.)



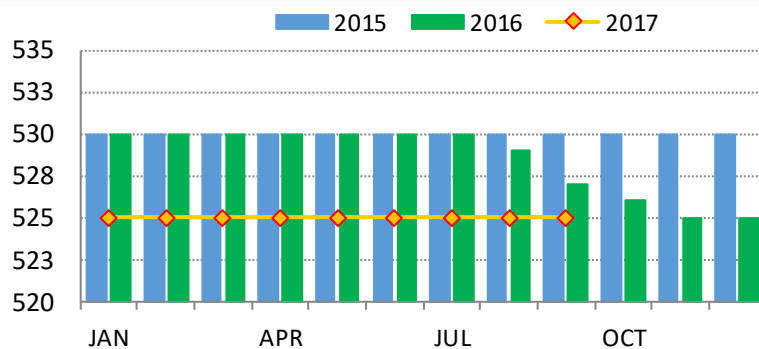
## Pennsylvania Milk Per Cow

(30-day month, in lbs.)



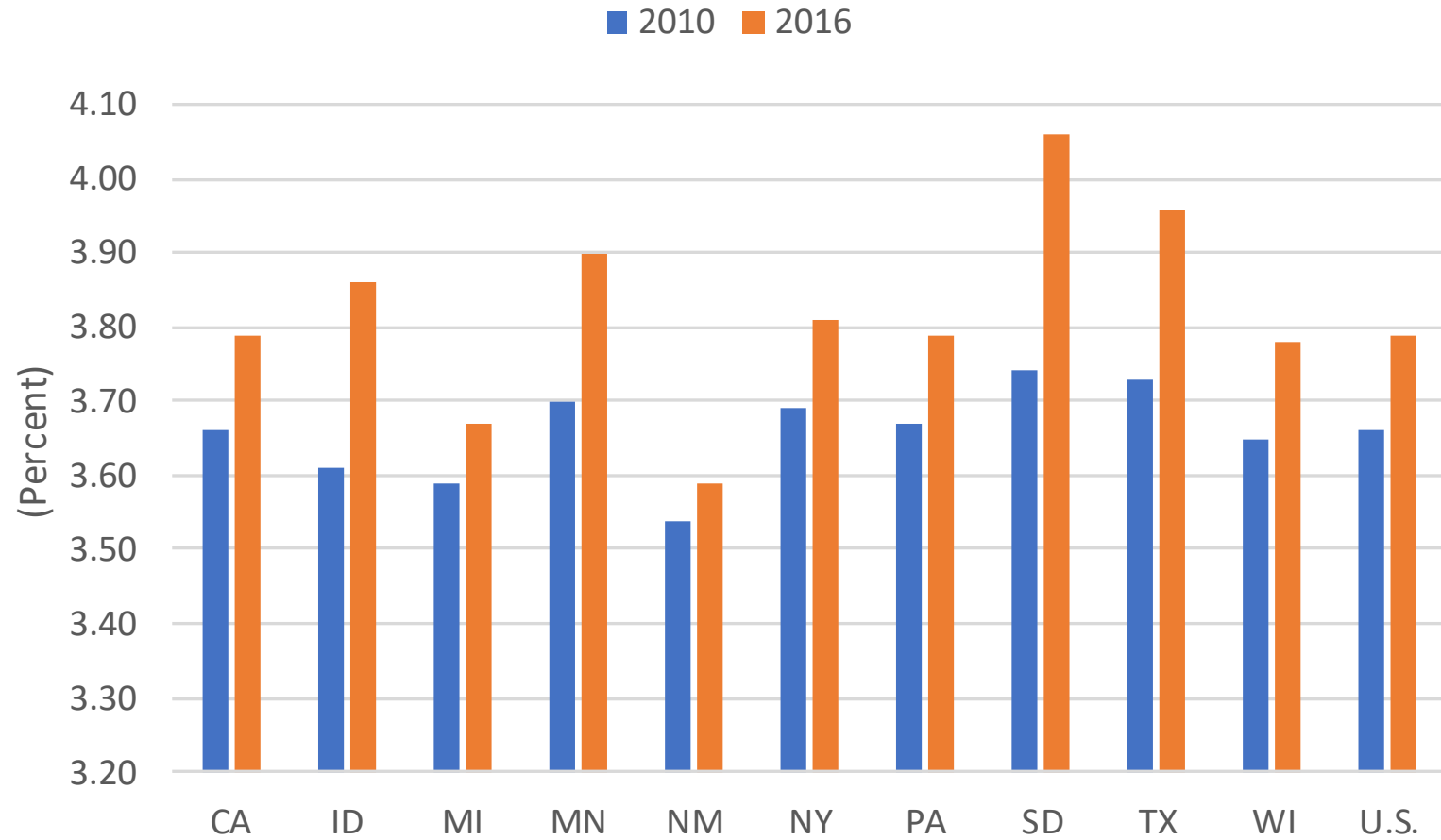
## Pennsylvania Dairy Cows

(in thousand head)

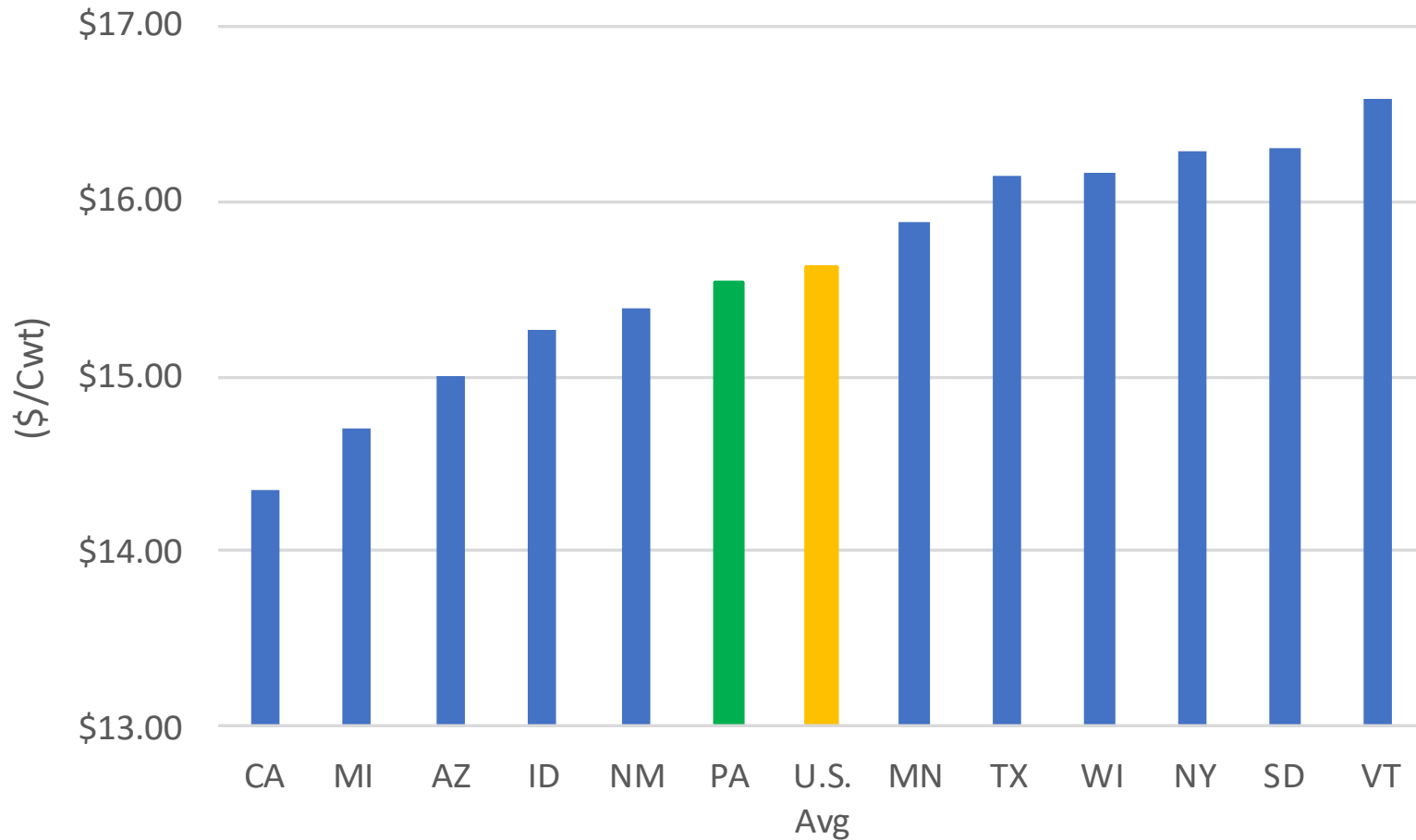


- PA Overview
- Milk Production YTD Sept up 1.8%
- Dairy Herd Stable at 525,000

# More Butterfat



# 2016 All Milk Price @ 3.5% BF

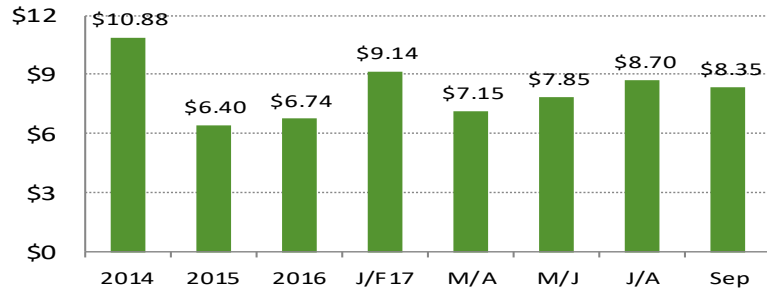




# Income Over Feed Key States

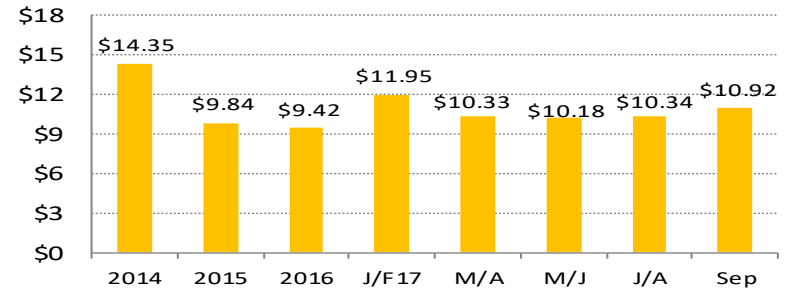
**Regional Dairy Production Margin**  
(in \$ per cwt.)

■ California



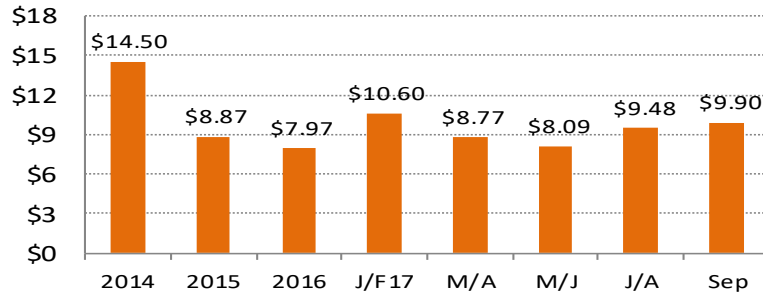
**Regional Dairy Production Margin**  
(in \$ per cwt.)

■ Wisconsin



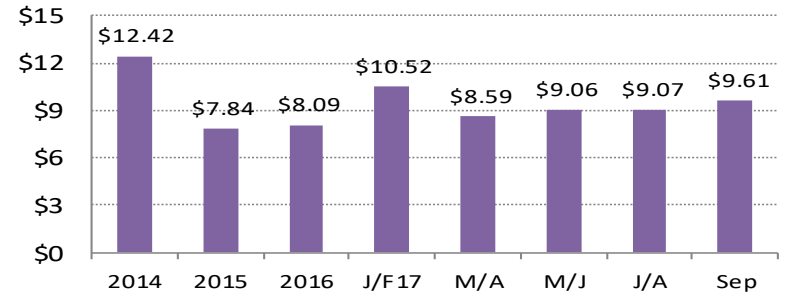
**Regional Dairy Production Margin**  
(in \$ per cwt.)

■ New York



**Regional Dairy Production Margin**  
(in \$ per cwt.)

■ Idaho



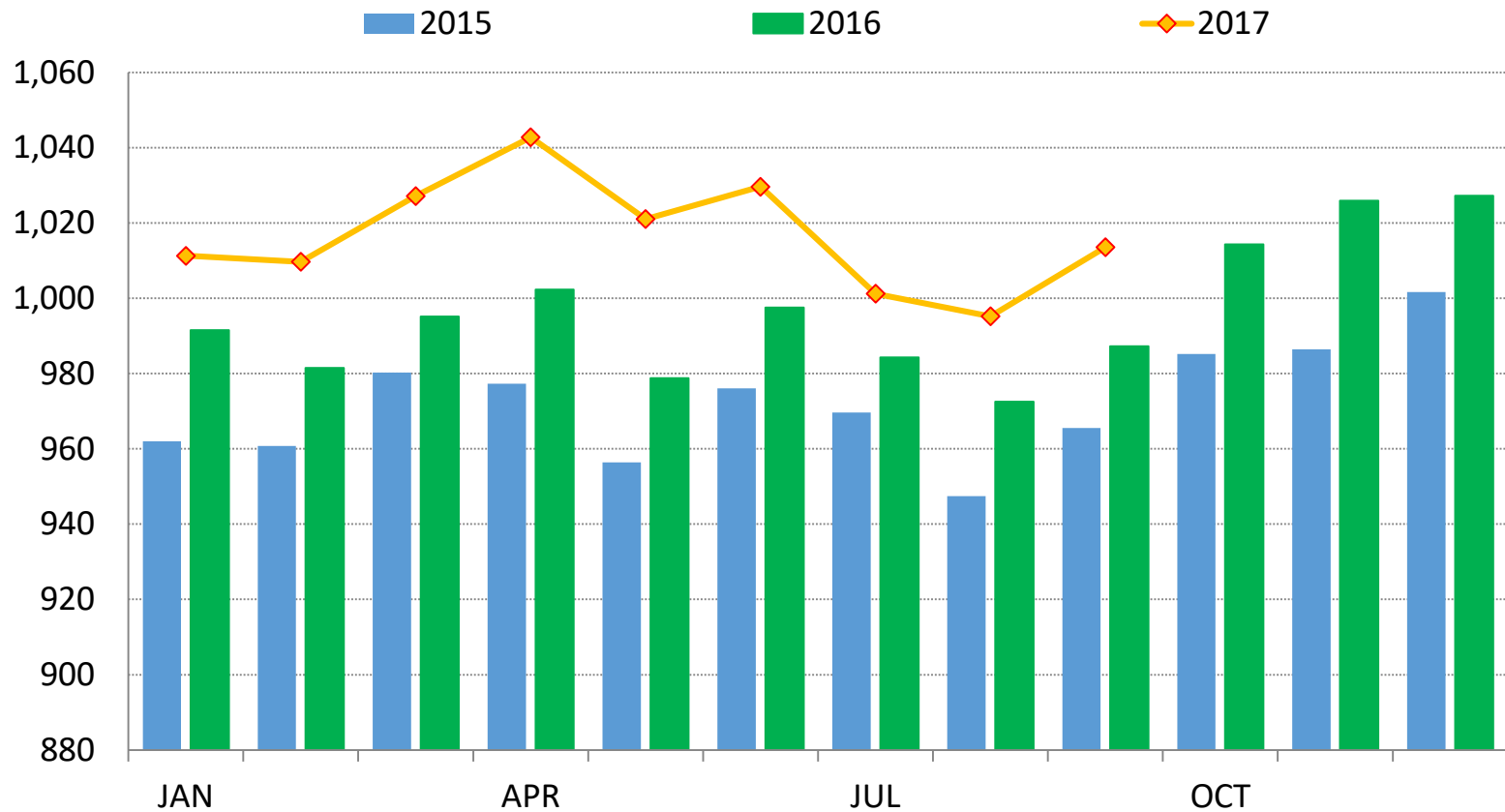
# DailyDairy



Dairy Products Production,  
Stocks and Trade

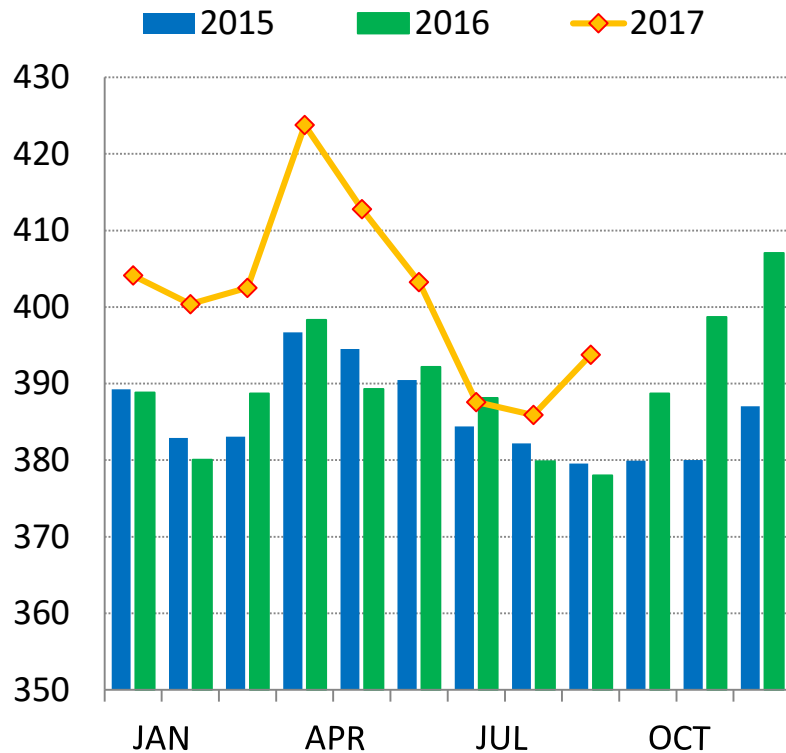
# U.S. Cheese Production & Stocks

## Total Cheese Production (30-day month, in million lbs.)

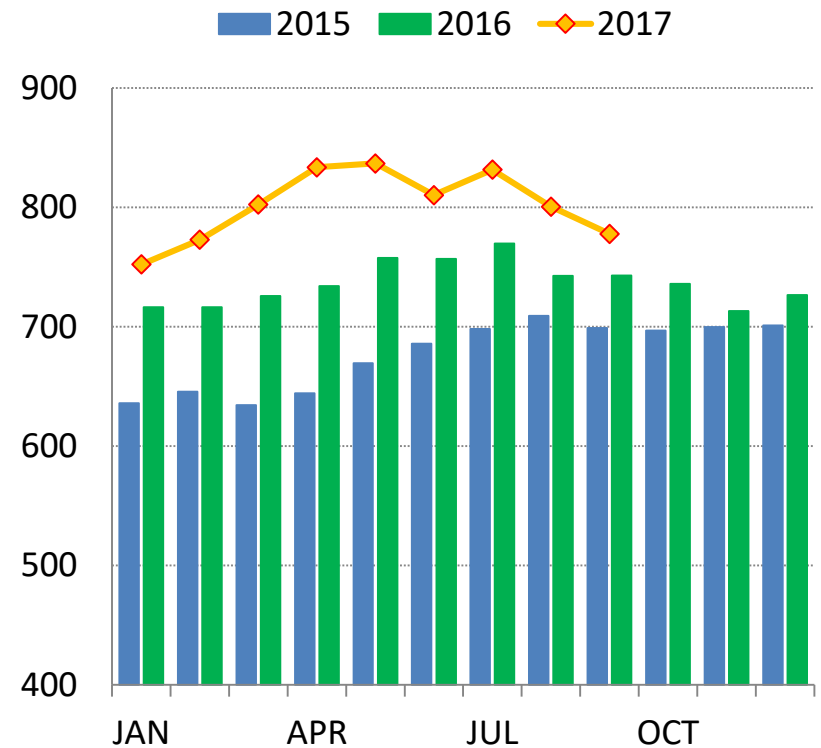


# American Cheese Production & Stocks

**American Cheese**  
(30-day month, in million lbs.)

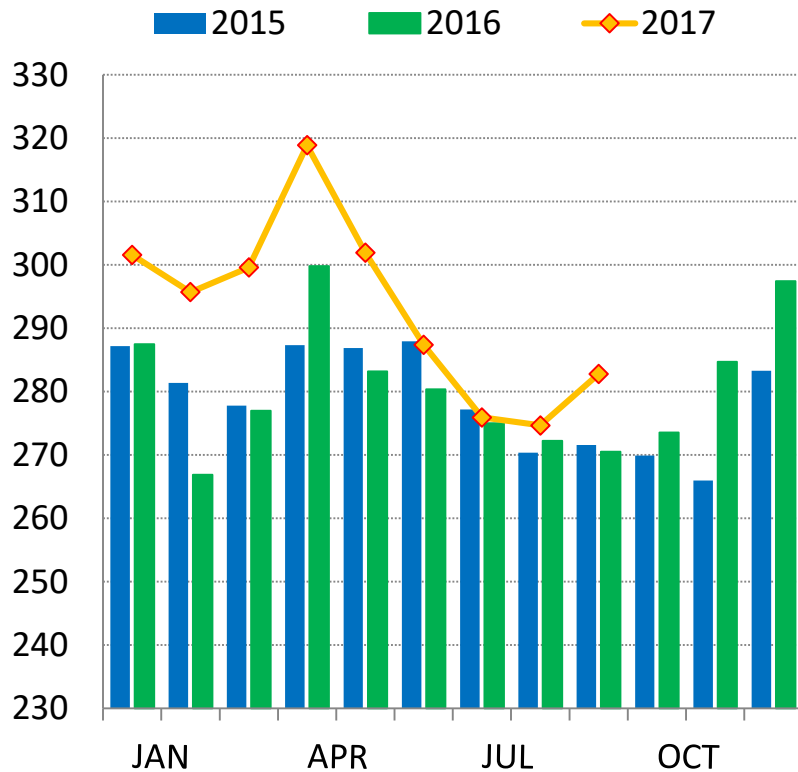


**American Cheese Stocks**  
(in million lbs.)

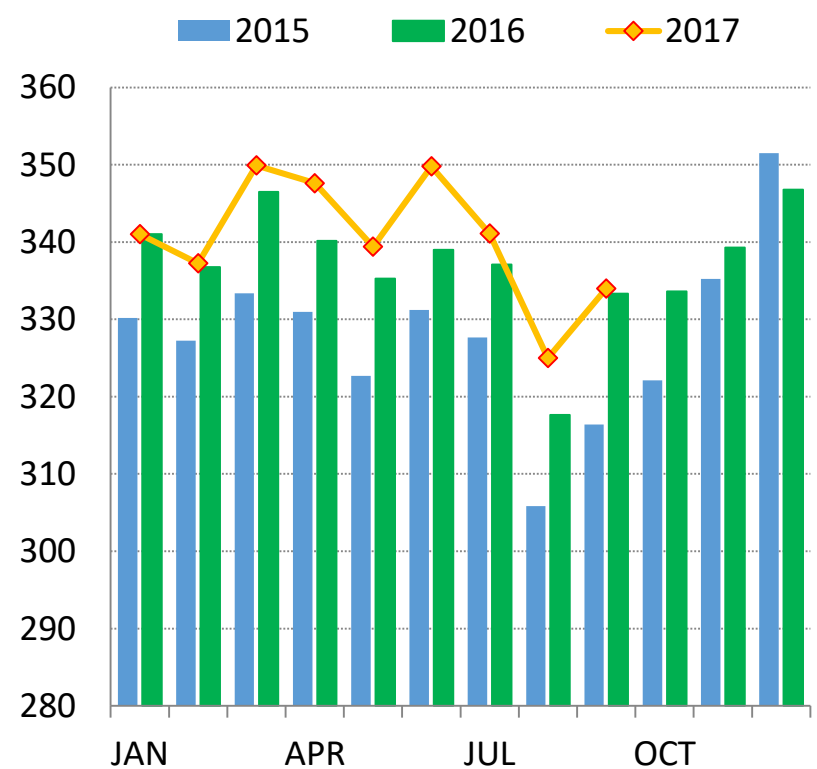


# Cheddar and Mozzarella Production

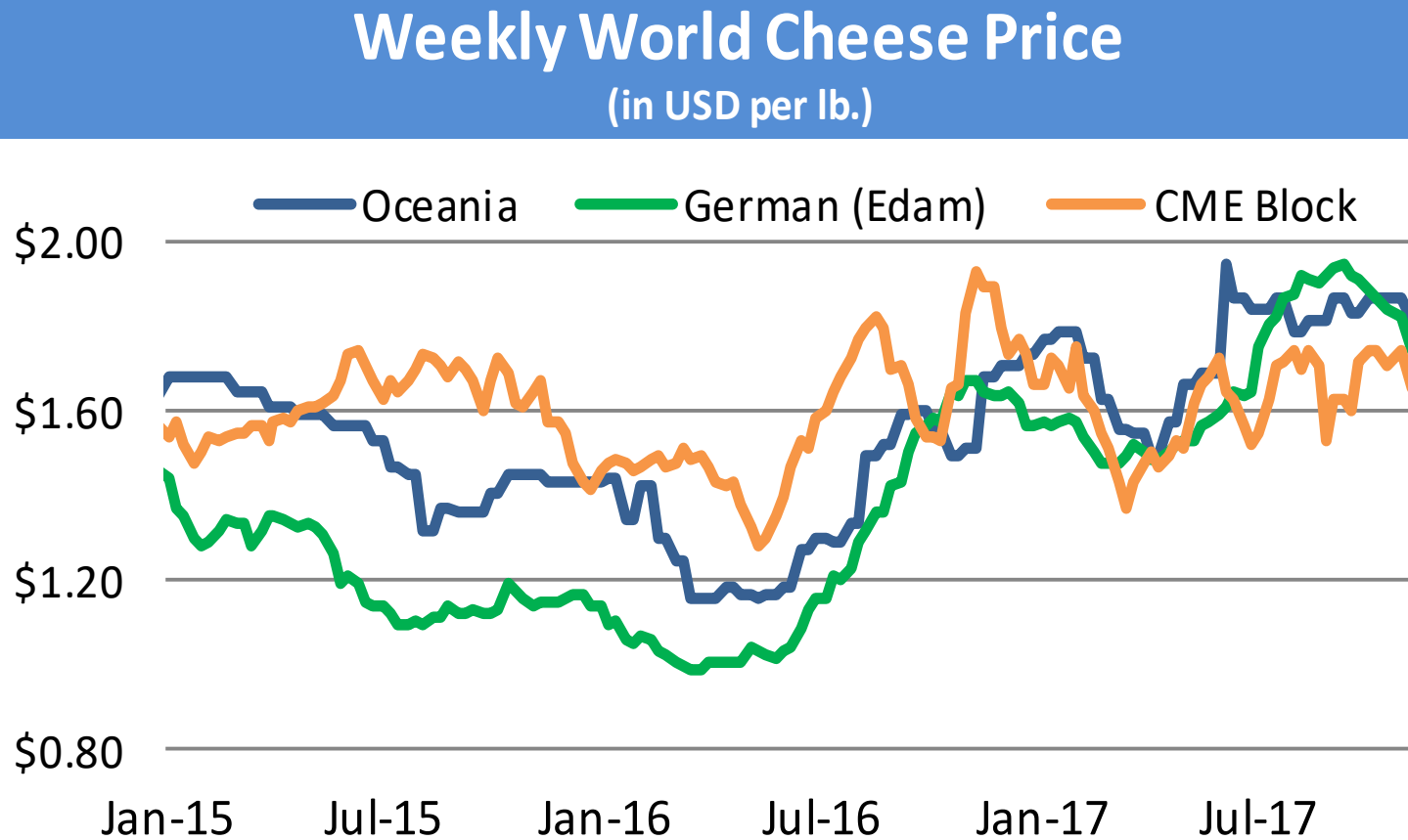
**Cheddar Cheese**  
(30-day month, in million lbs.)



**Mozzarella**  
(30-day month, in million lbs.)



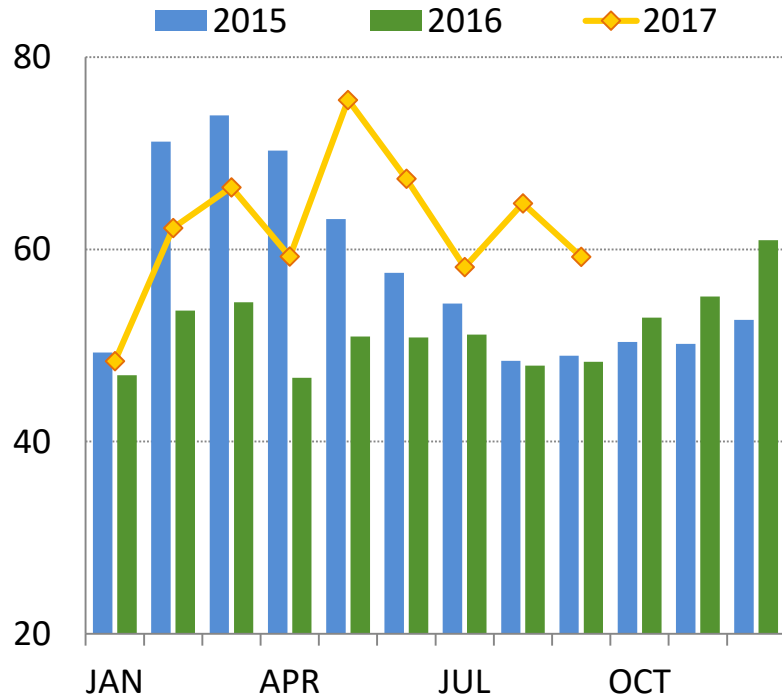
# Global Cheese Prices



# Cheese Exports and Imports

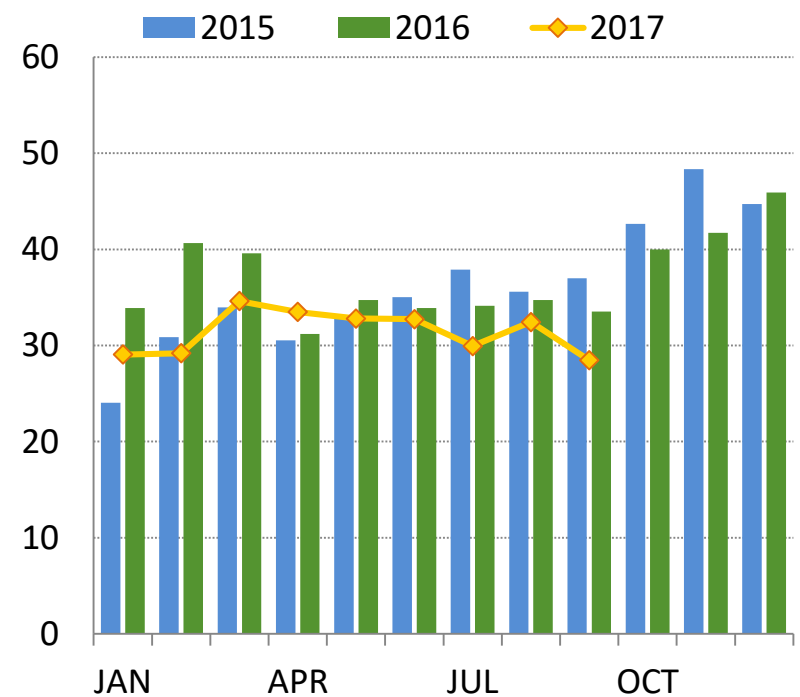
## U.S. Cheese & Curd Exports

(30-day month, in million lbs.)



## U.S. Cheese & Curd Imports

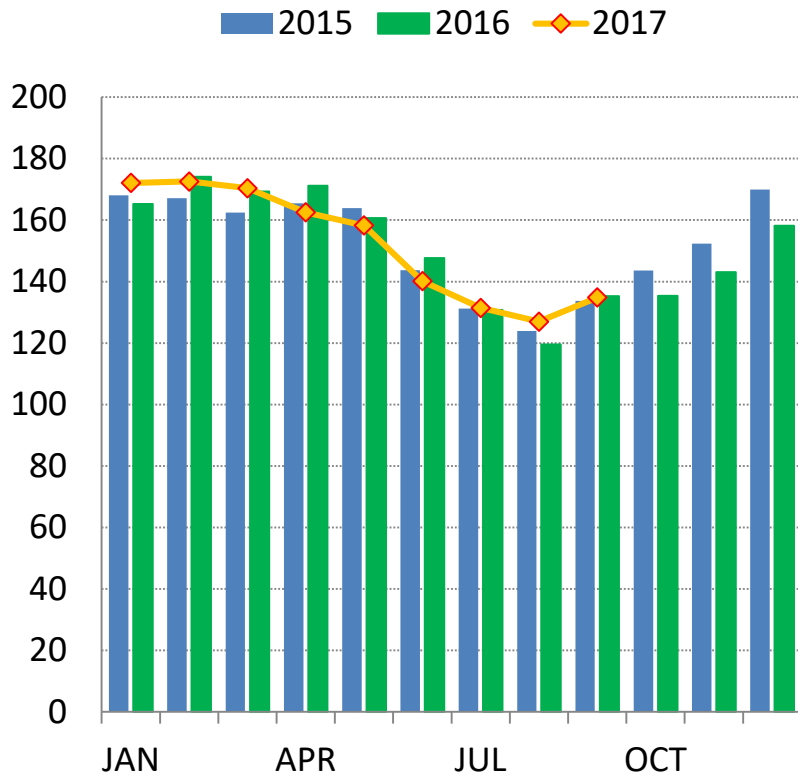
(30-day month, in million lbs.)



# Butter Production & Stocks

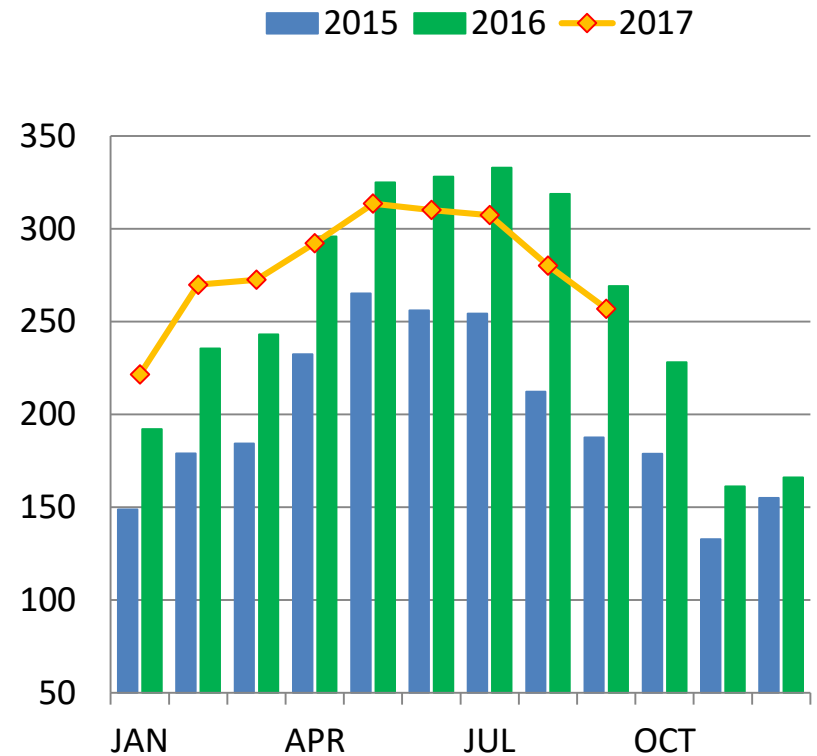
## U.S. Butter Production

(30-day month, in million lbs.)



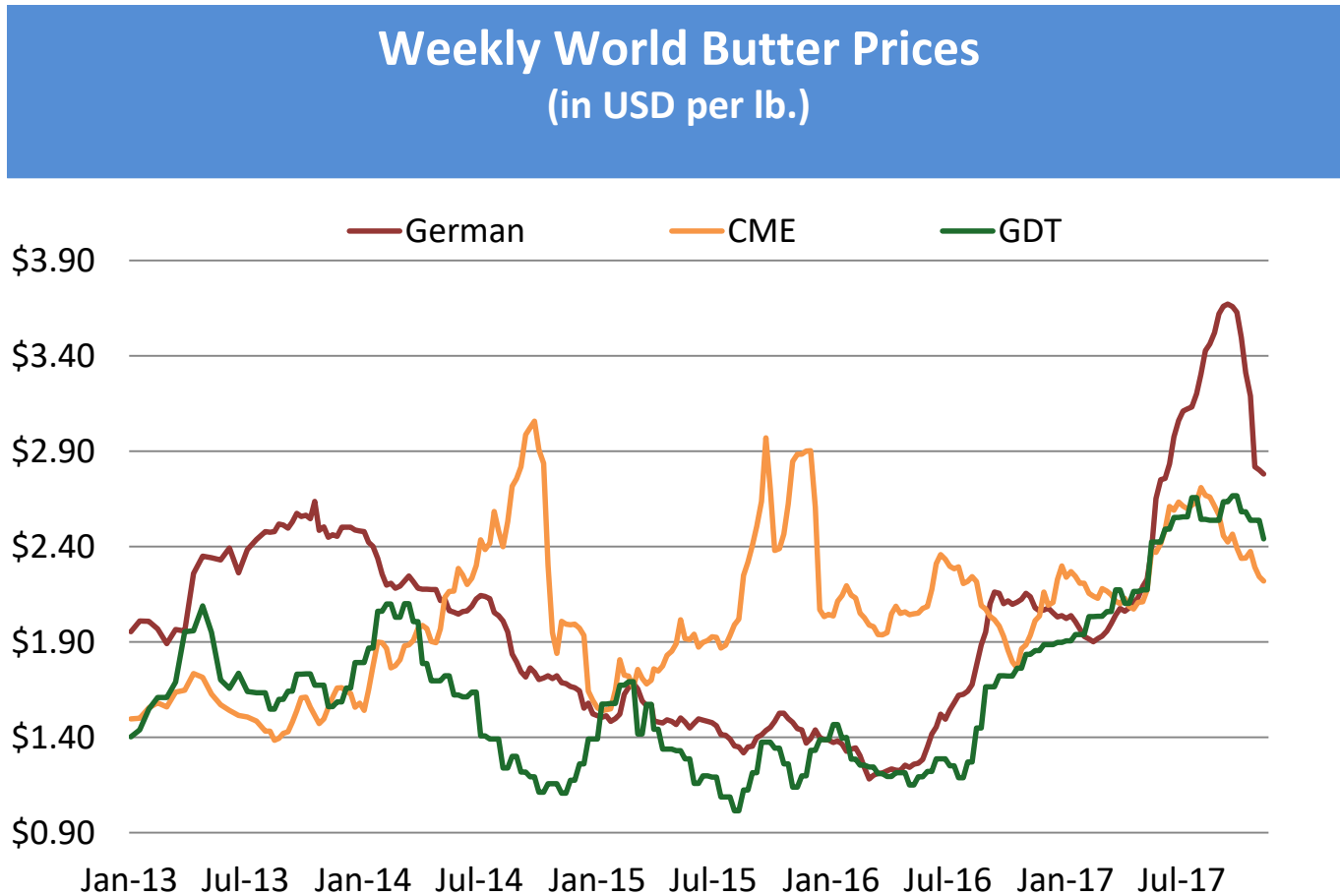
## U.S. Butter Stocks

(in million lbs.)





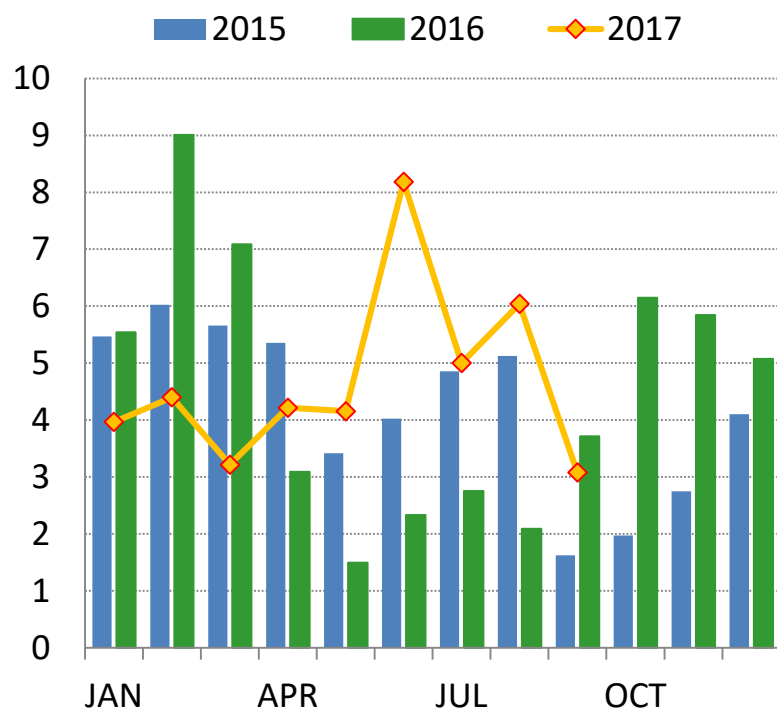
# Global Butter Prices



# Butter & Milkfat Exports and Imports

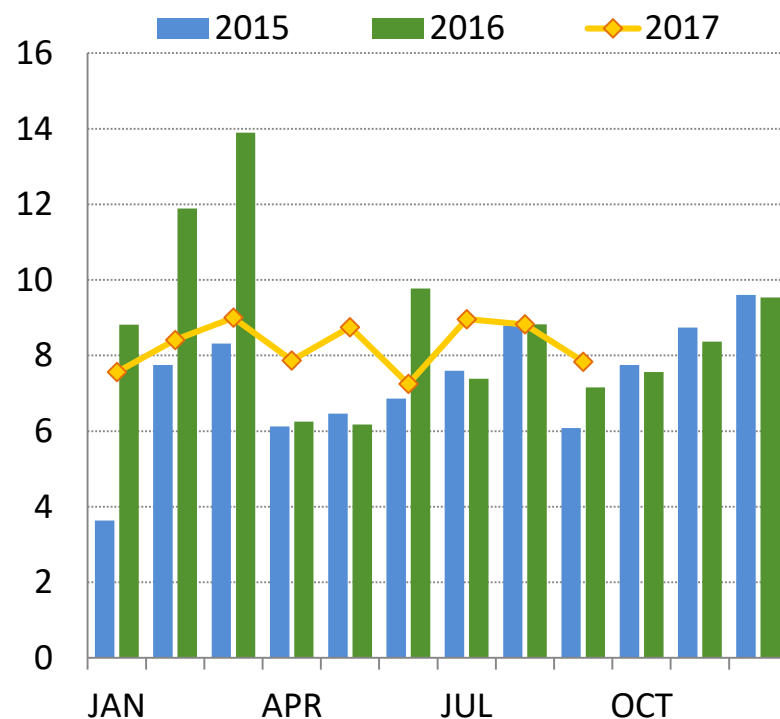
## U.S. Butter & Milkfat Exports

(30-day month, in million lbs.)



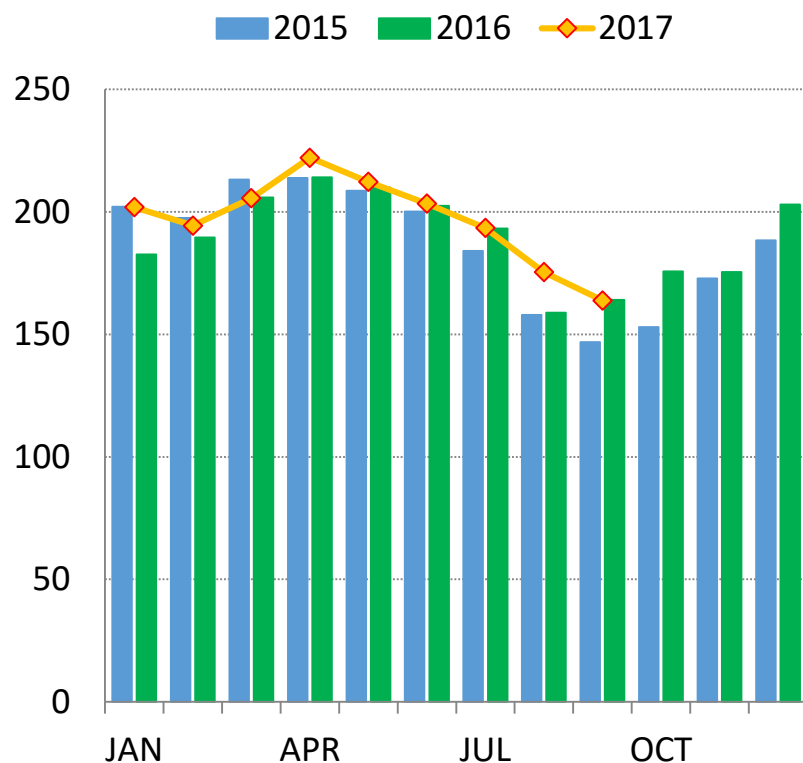
## U.S. Butterfat Imports

(30-day month, in million lbs.)

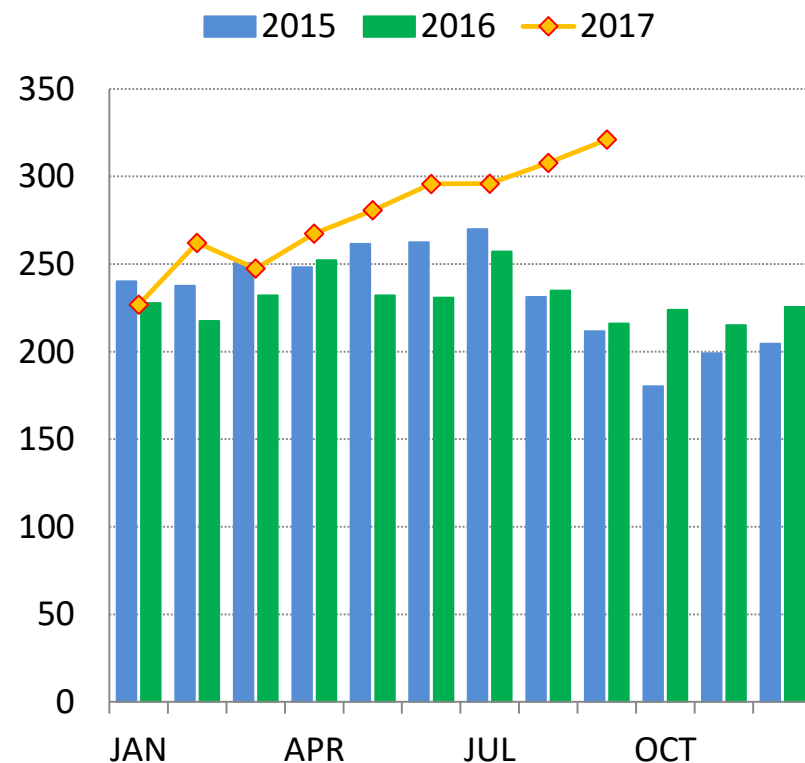


# NDM/SMP Production & Stocks

**U.S. NDM and SMP Production**  
(30-day month, in million lbs.)

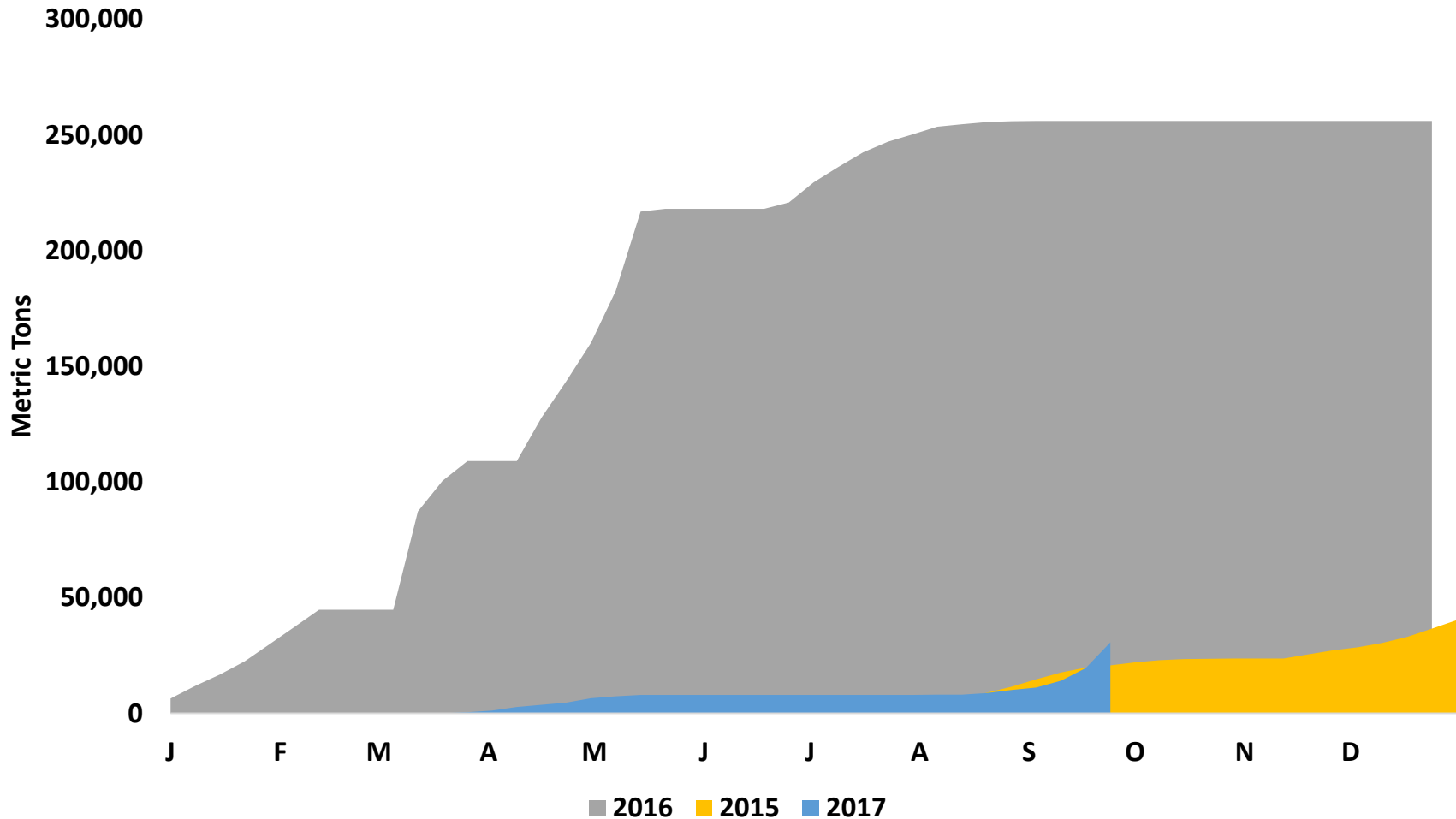


**U.S. Manufacturers' Stocks of NDM**  
(in million lbs.)



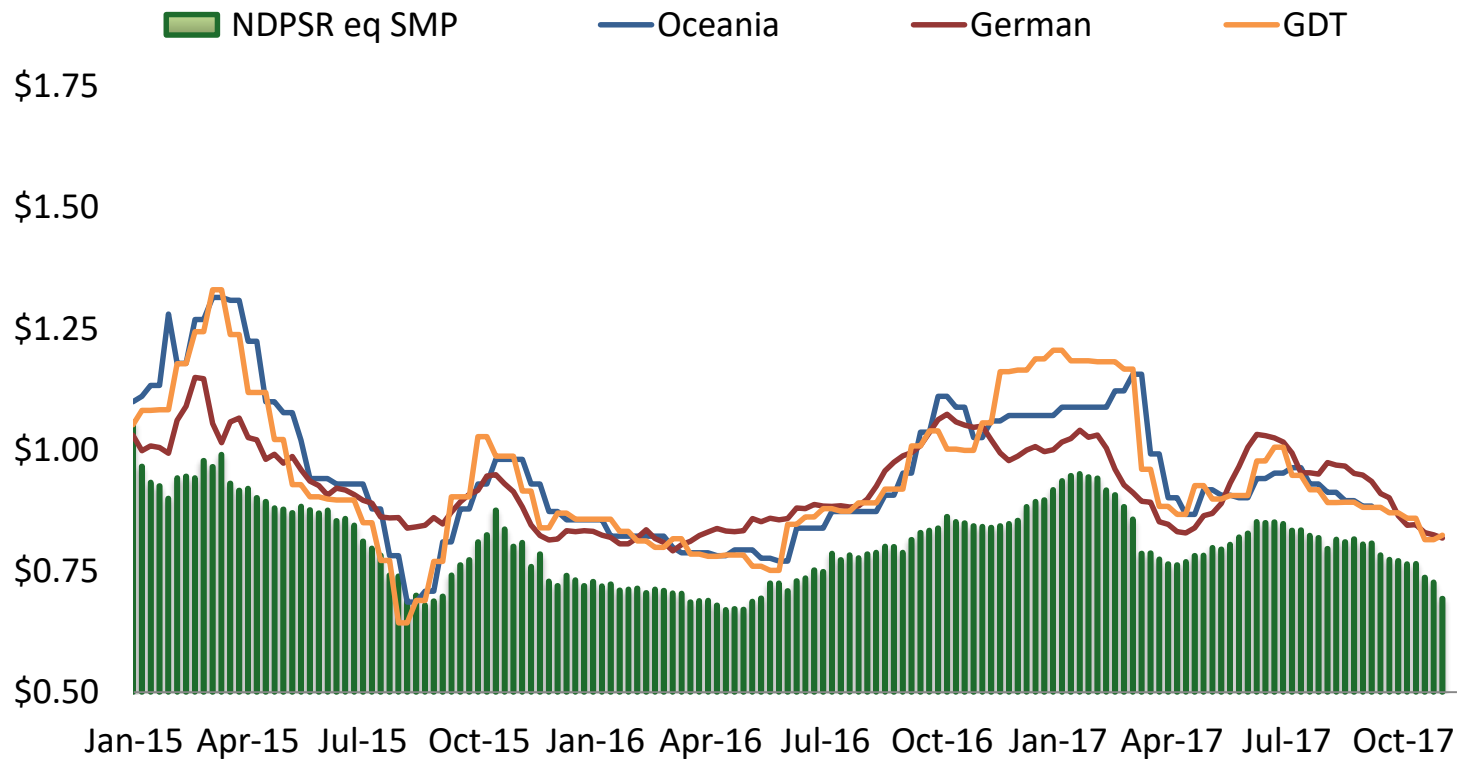
# EU Stocks = 1/3 of U.S. Production

Cumulative SMP Offered into European Intervention



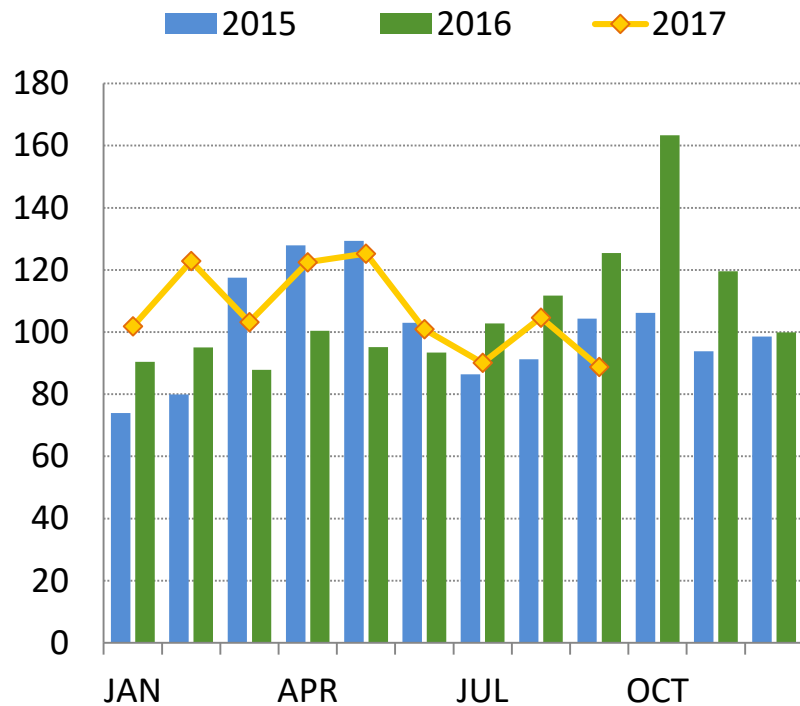
# Nonfat Dry Milk Global Prices

## World Weekly SMP Price (in USD per lb.)

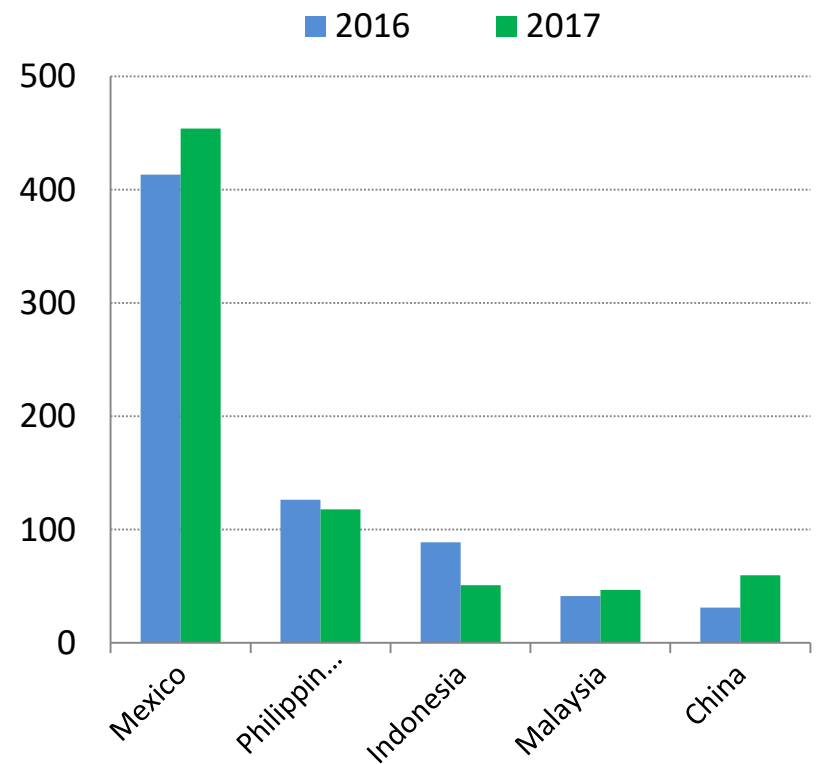


# NDM/SMP Exports

**U.S. NDM/SMP Exports**  
(30-day month, in million lbs.)

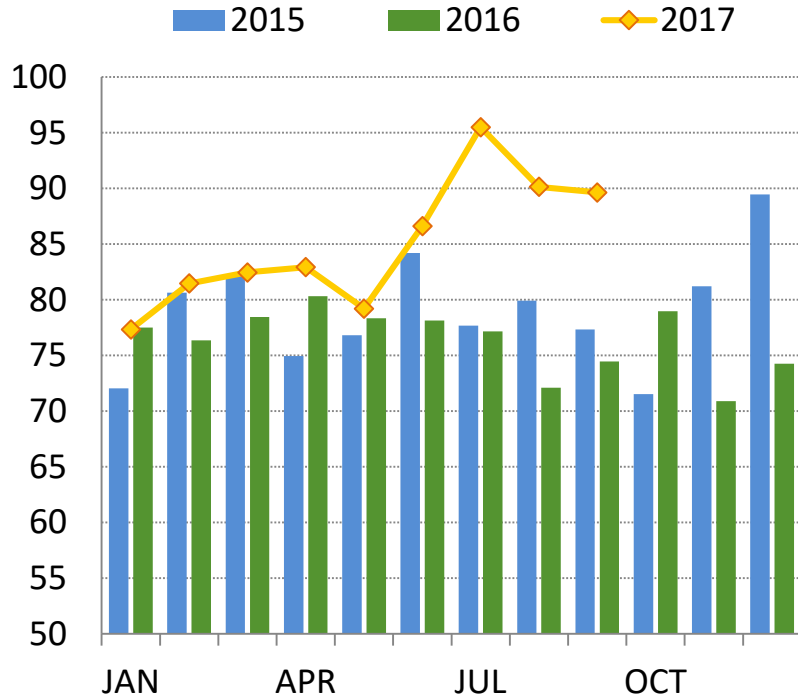


**U.S. NDM/SMP Exports: YTD Sept**  
(30-day month, in million lbs.)

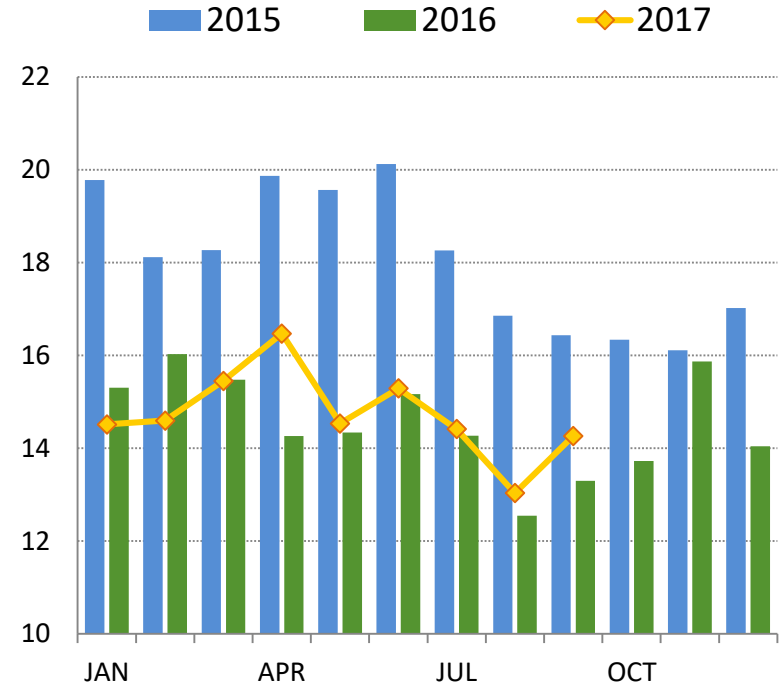


# U.S. Production: Whey and WPC 25-49.9%

**U.S. Whey Powder Production**  
(30-day month, in million lbs.)

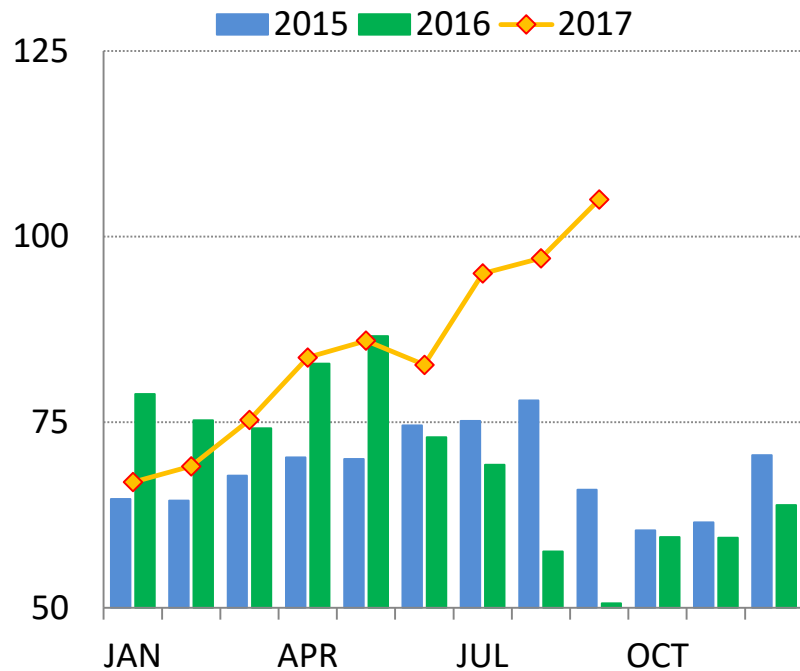


**U.S. WPC (25-49.9% Protein)**  
(30-day month, in million lbs.)

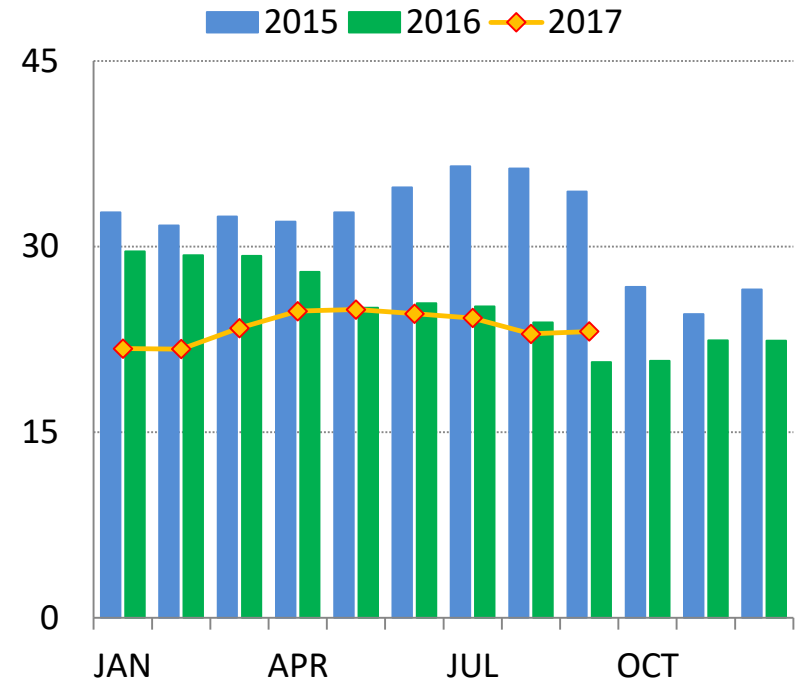


# U.S. Stocks: Whey and WPC 25-49.9%

## Whey (Food Grade) Stocks (30-day month, in million lbs.)



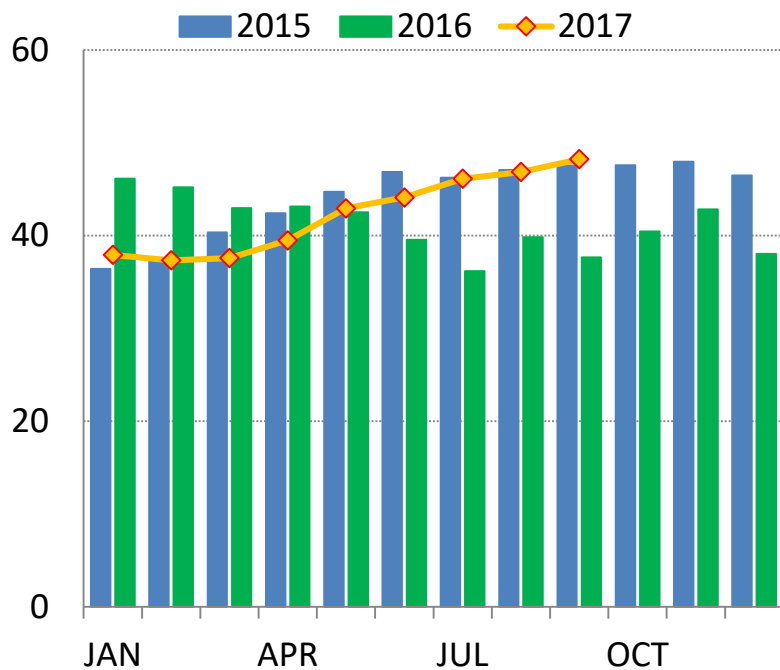
## WPC (25-49.9%) Stocks (in million lbs.)



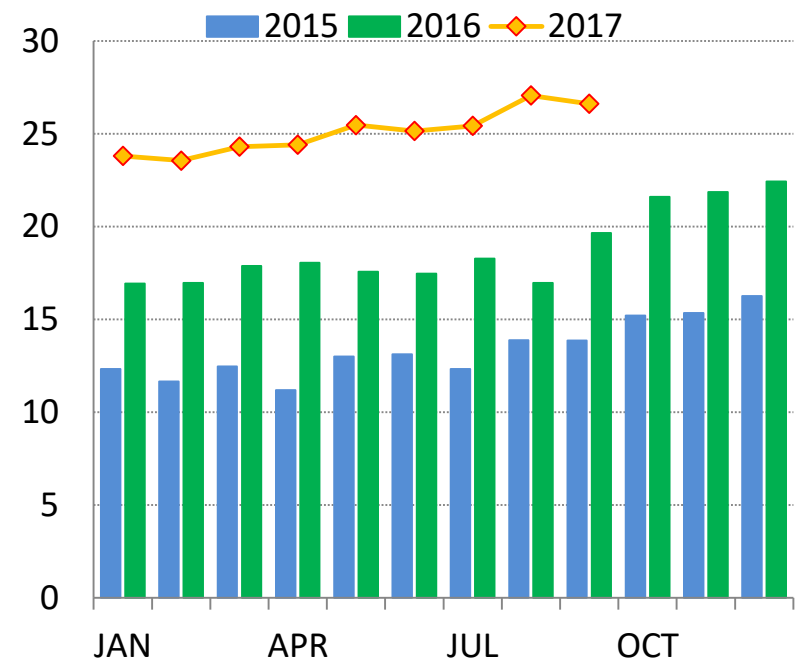


# U.S. Stocks: WPC 50-89.9% and WPI

**WPC (50-89.9% Protein) Stocks**  
(in million lbs.)



**WPI Stocks**  
(in million lbs.)



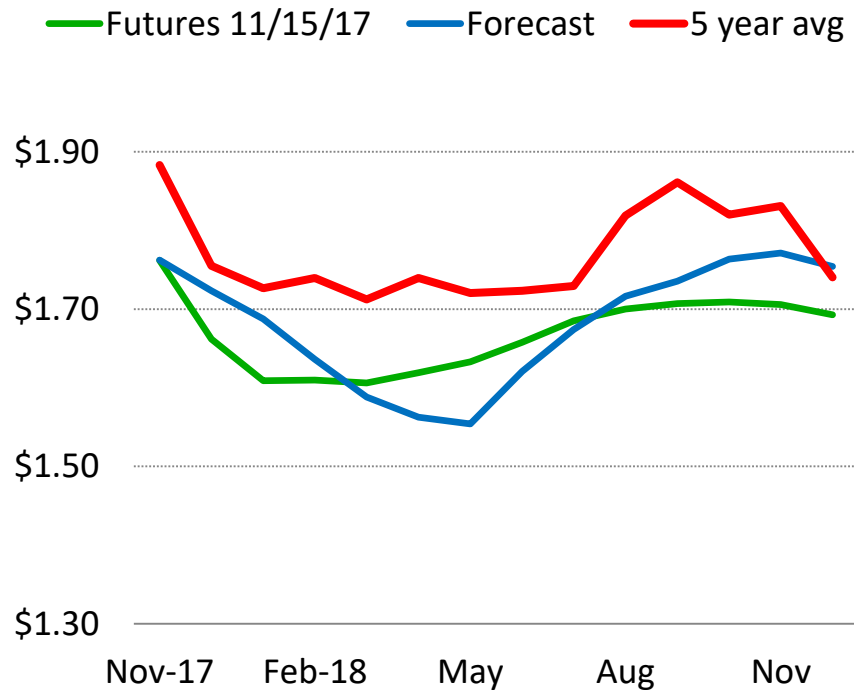
# DailyDairy

A dynamic splash of white milk or cream, captured mid-air, with several droplets and a central column of liquid rising from the base of the splash.

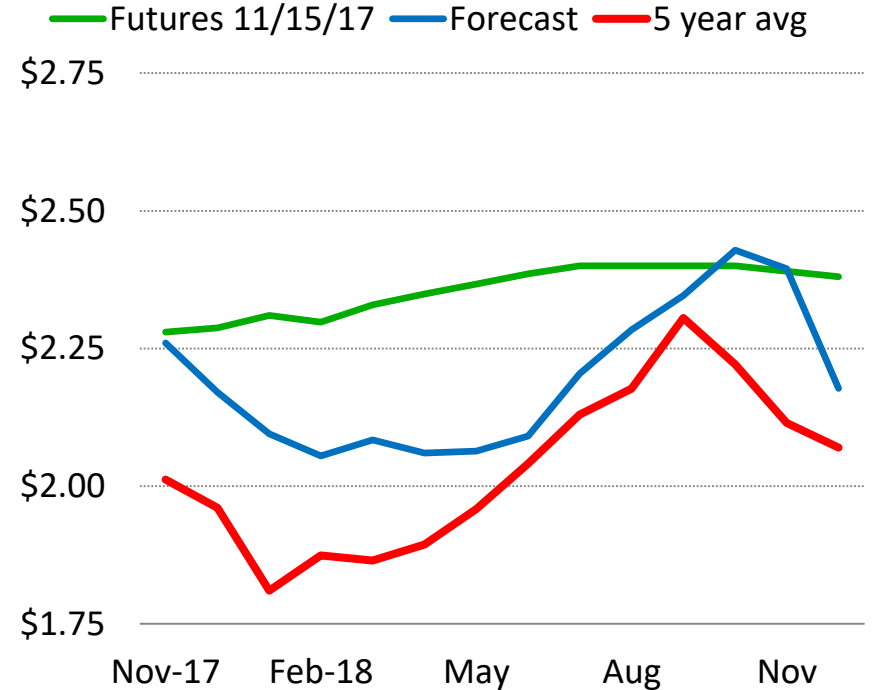
## Dairy Markets Outlook

# Cheese and Butter Price Outlook

## Cheese Prices (in USD per lb.)

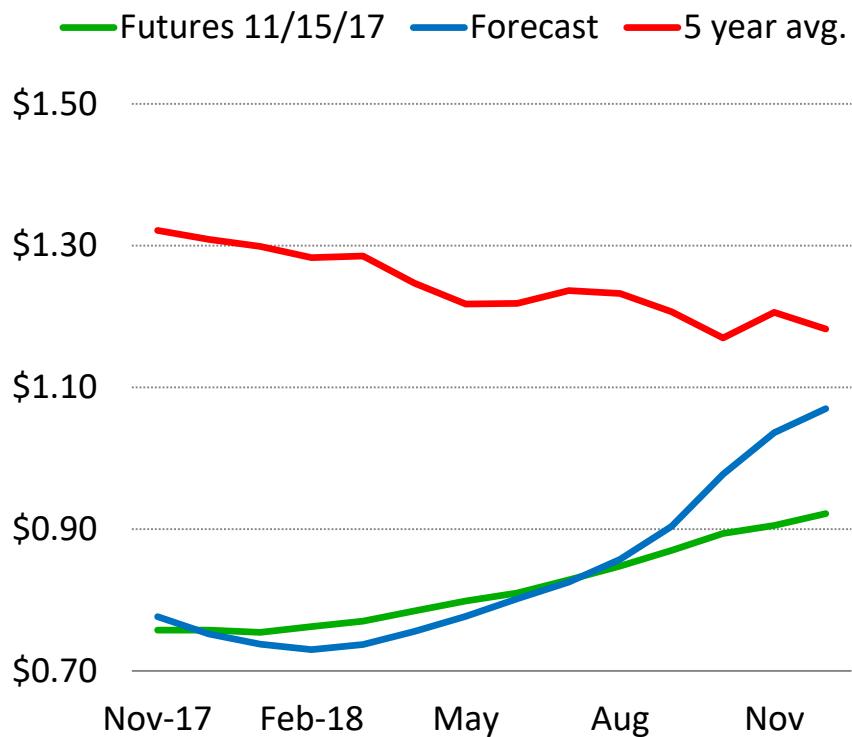


## Butter Prices (in USD per lb.)

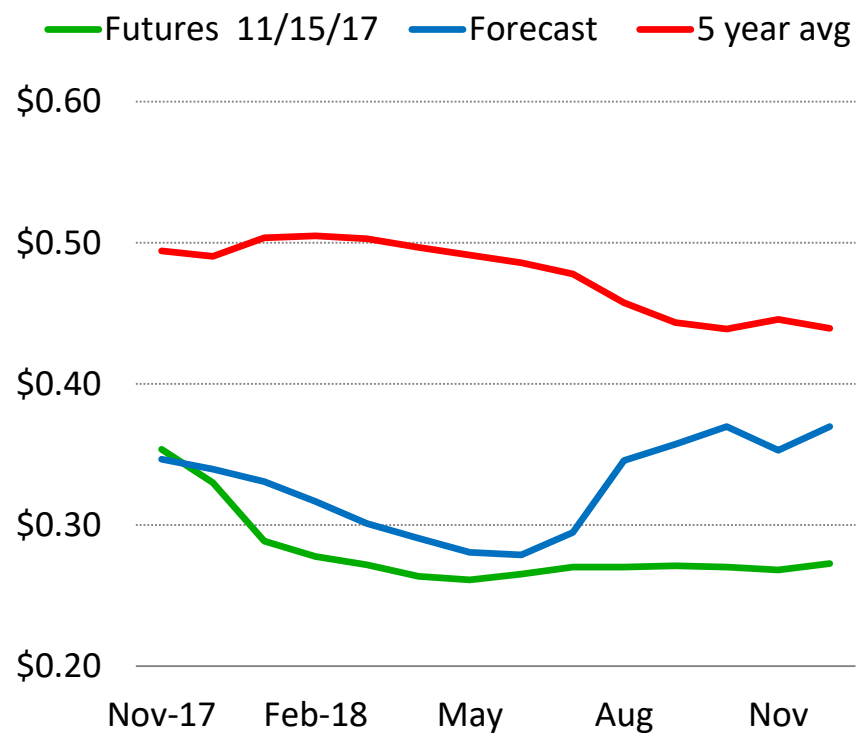


# NDM and Whey Price Outlook

## NFDM Prices (in USD per lb.)

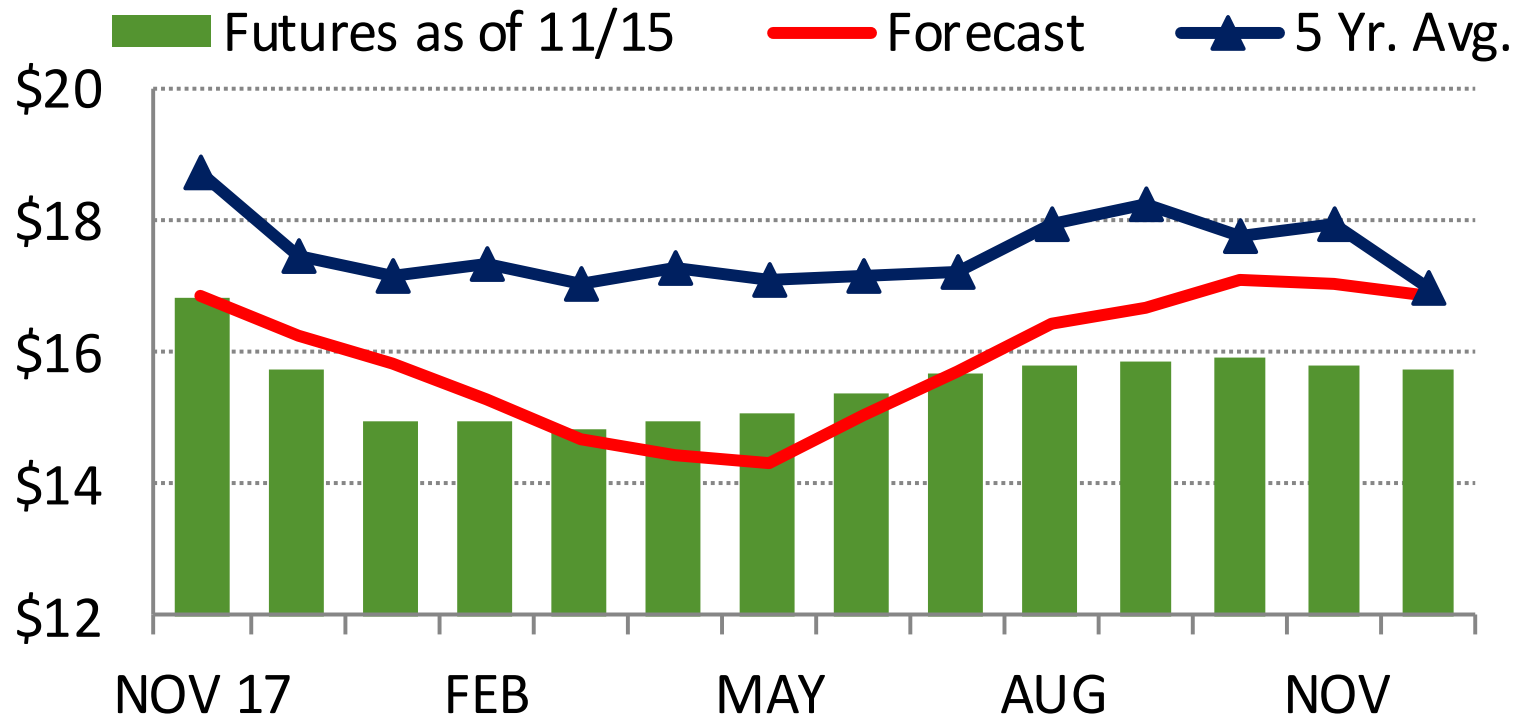


## Whey Prices (in USD per lb.)

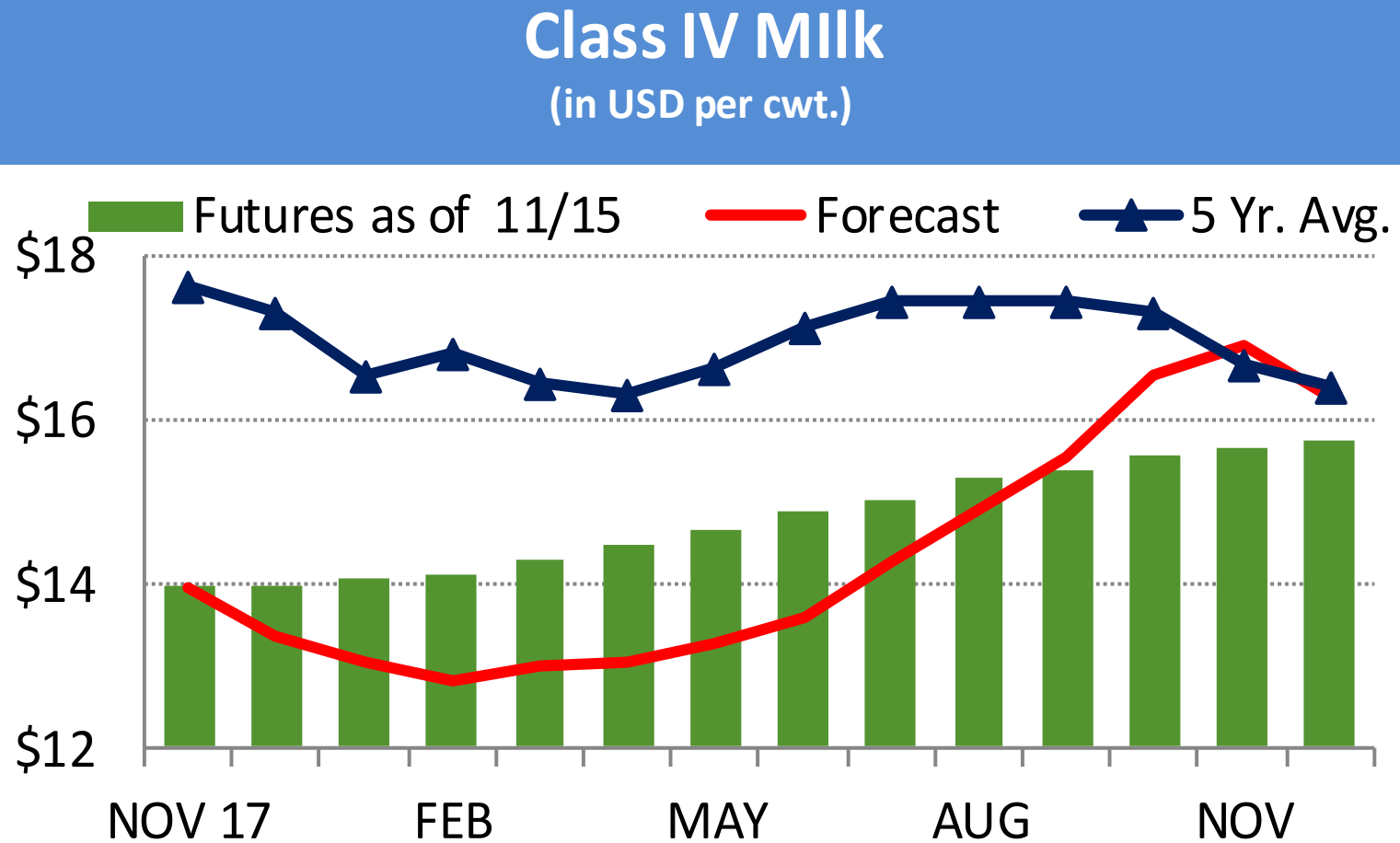


# Class III Outlook

## Class III Milk (in USD per cwt.)



# Class IV Outlook



# Key Points

- Global milk production is growing, largely due to greater YOY output from Europe and the United States.
- U.S. dairy herd is large and feed is cheap but YOY U.S. milk production is growing at a slower rate. The ability to grow will depend upon available processing capacity.
- The have's vs. have nots...

# Key Points

- Dairy product price convergence will reduce import opportunities to the United States
- Global dairy product demand improving – watch China and Mexico
- Weak Euro/strong US\$ and ample production will create export challenges for U.S. products
- 2018 could be a more challenging year in terms of profitability, which could set up an interesting farm bill