

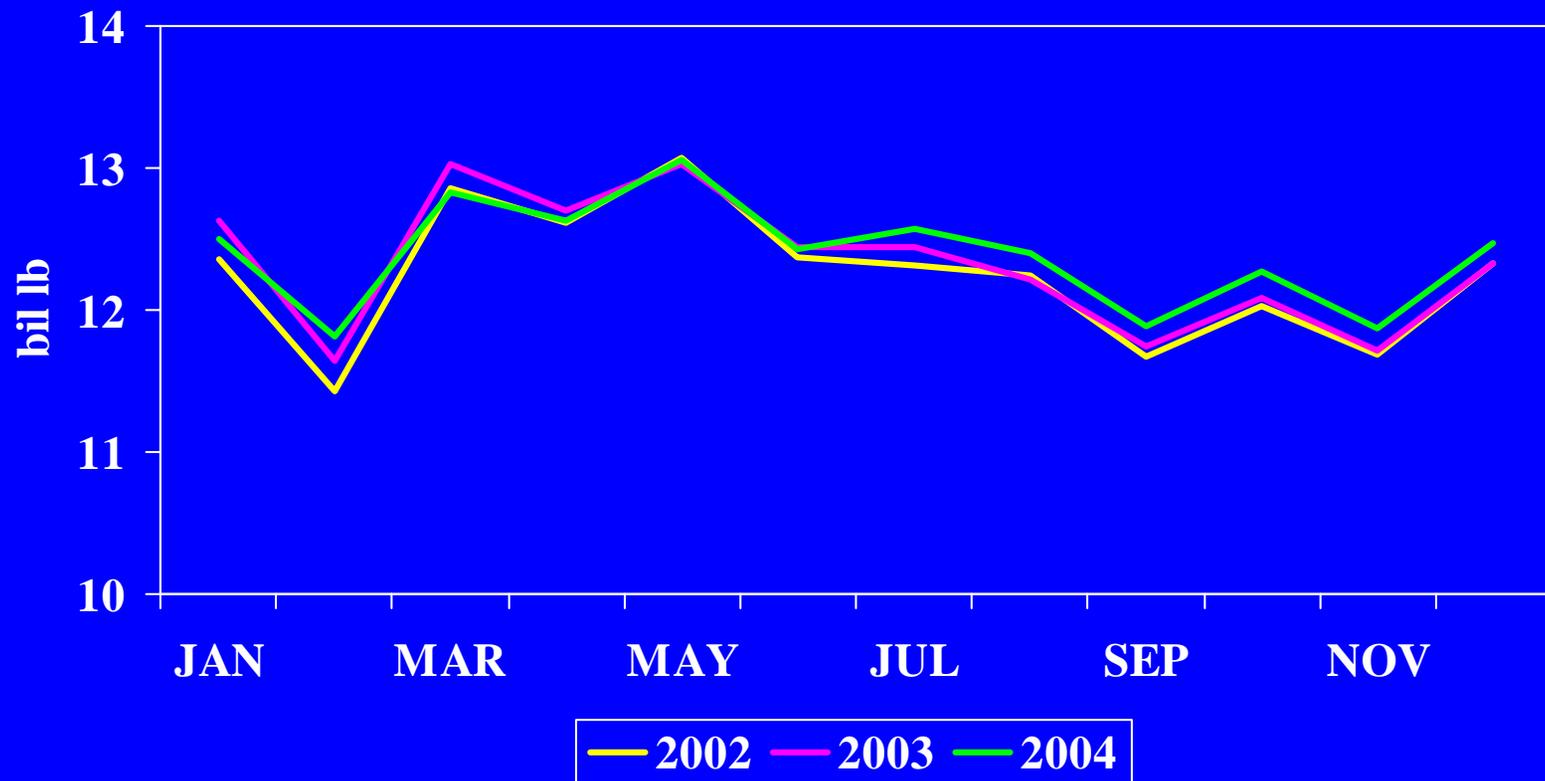
# Outlook for Dairy 2005

James J. Miller

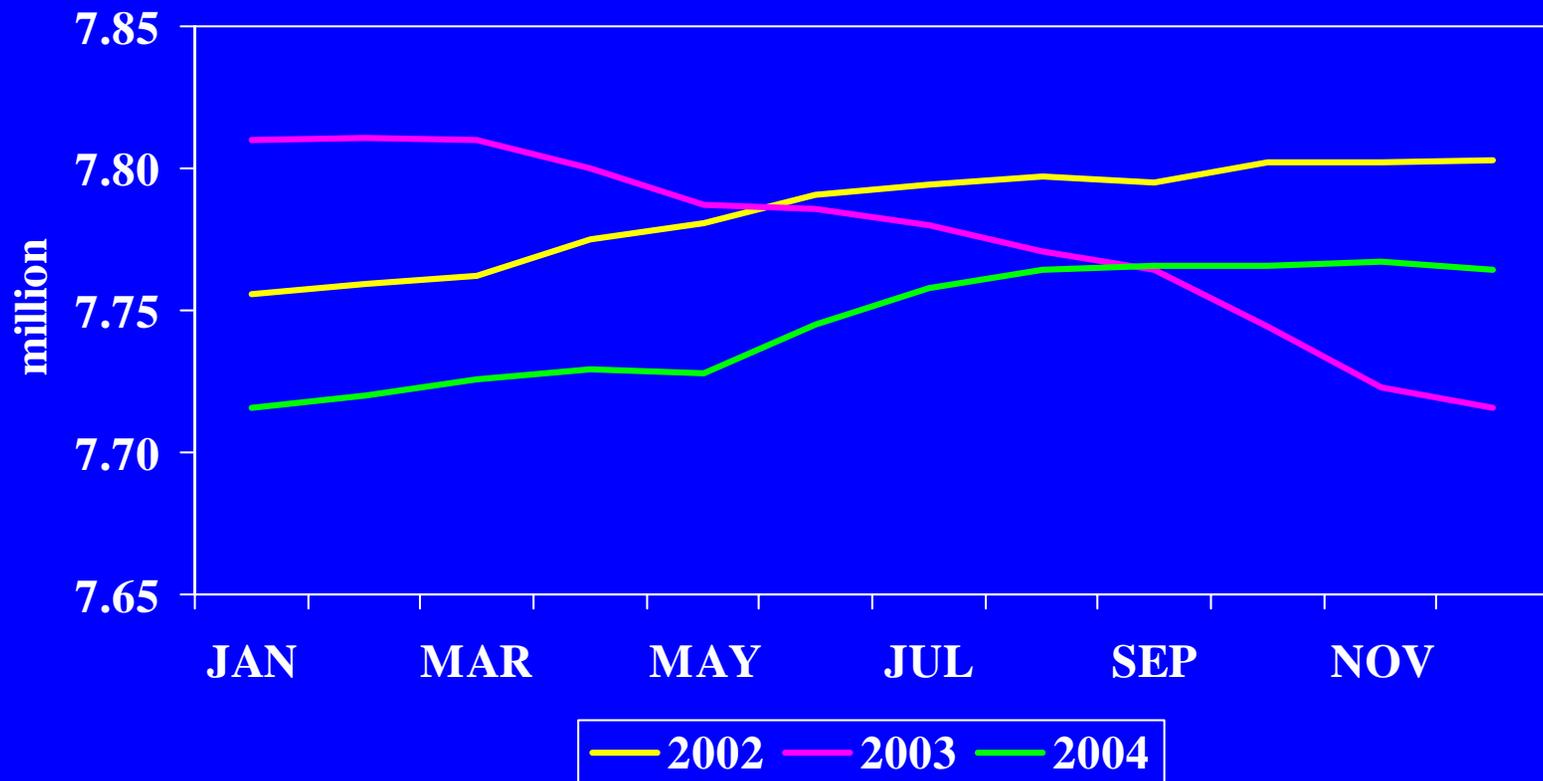
Economic Research Service, USDA



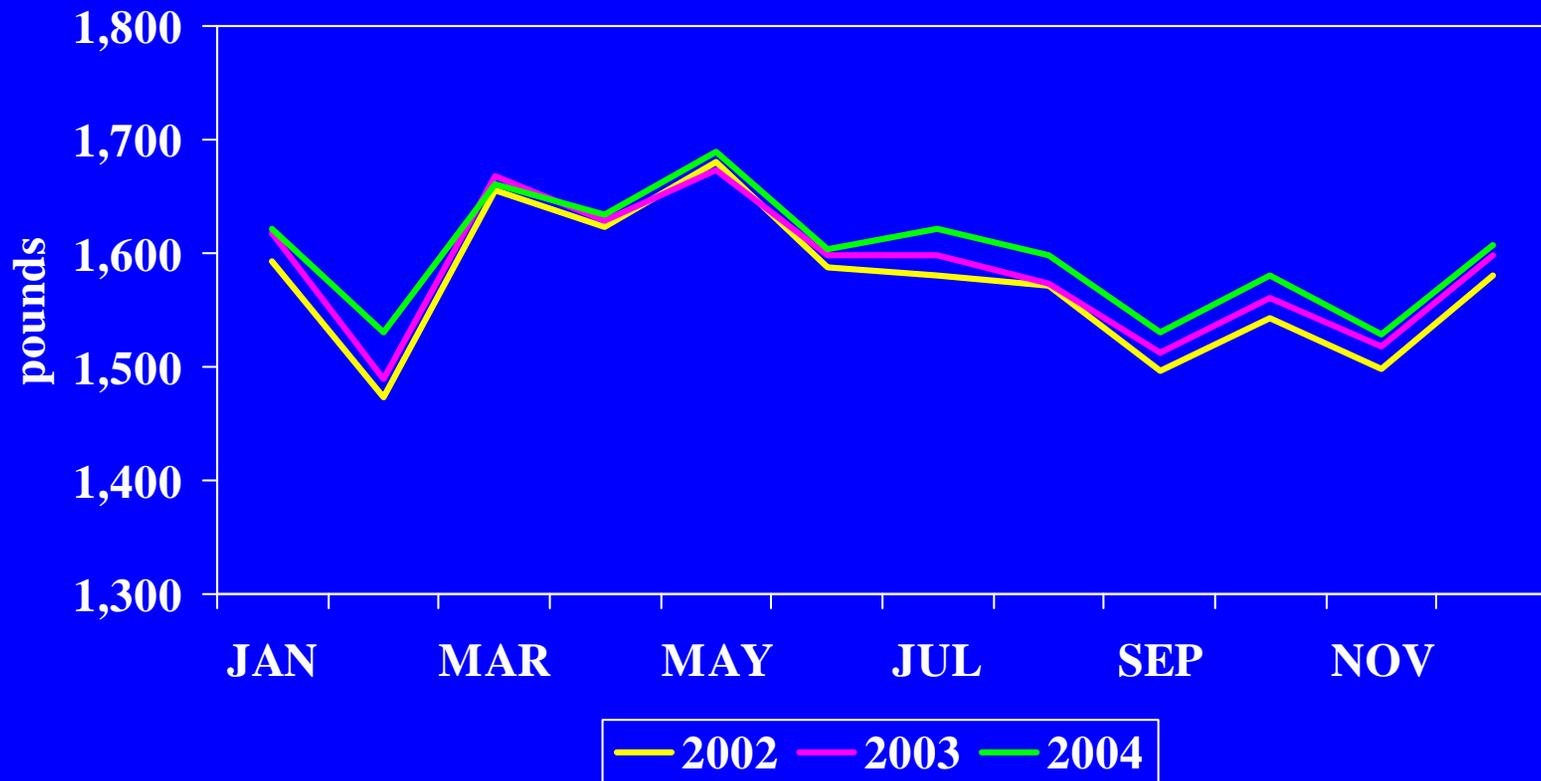
# Milk production, 20 States



# Milk cow numbers, 20 States

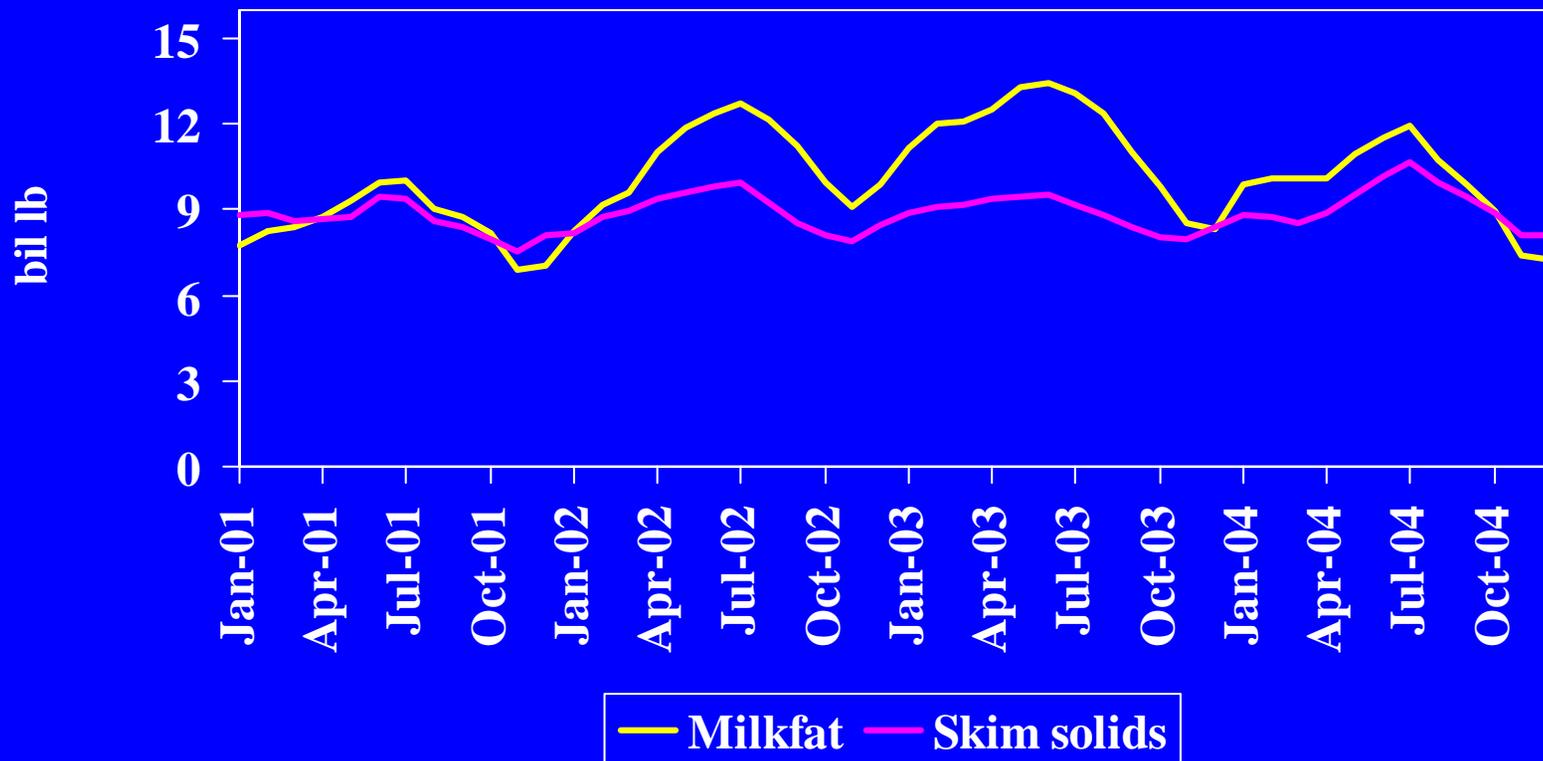


# Milk per cow, 20 States



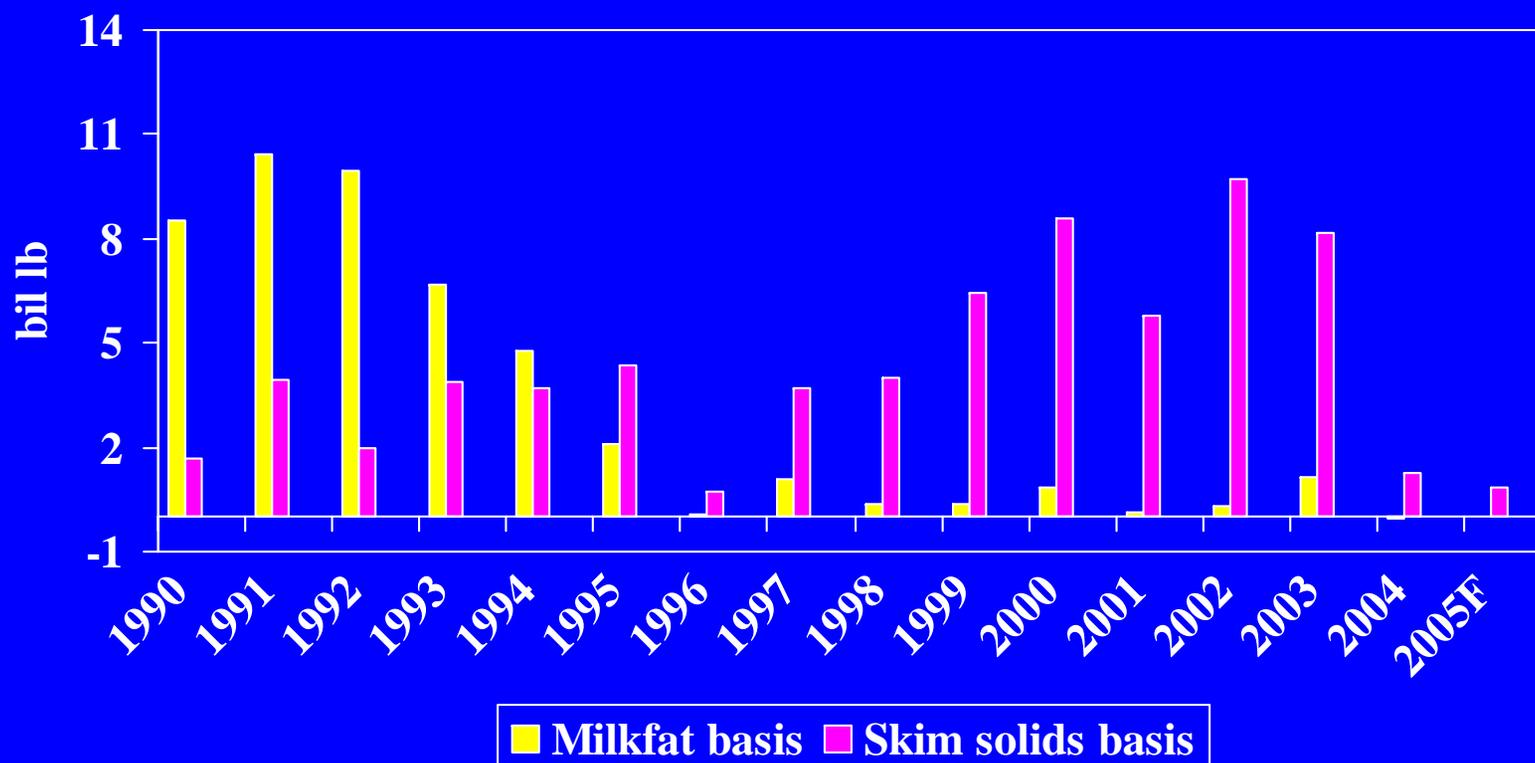
# Commercial Stocks

## Milk equivalent



# CCC net removals

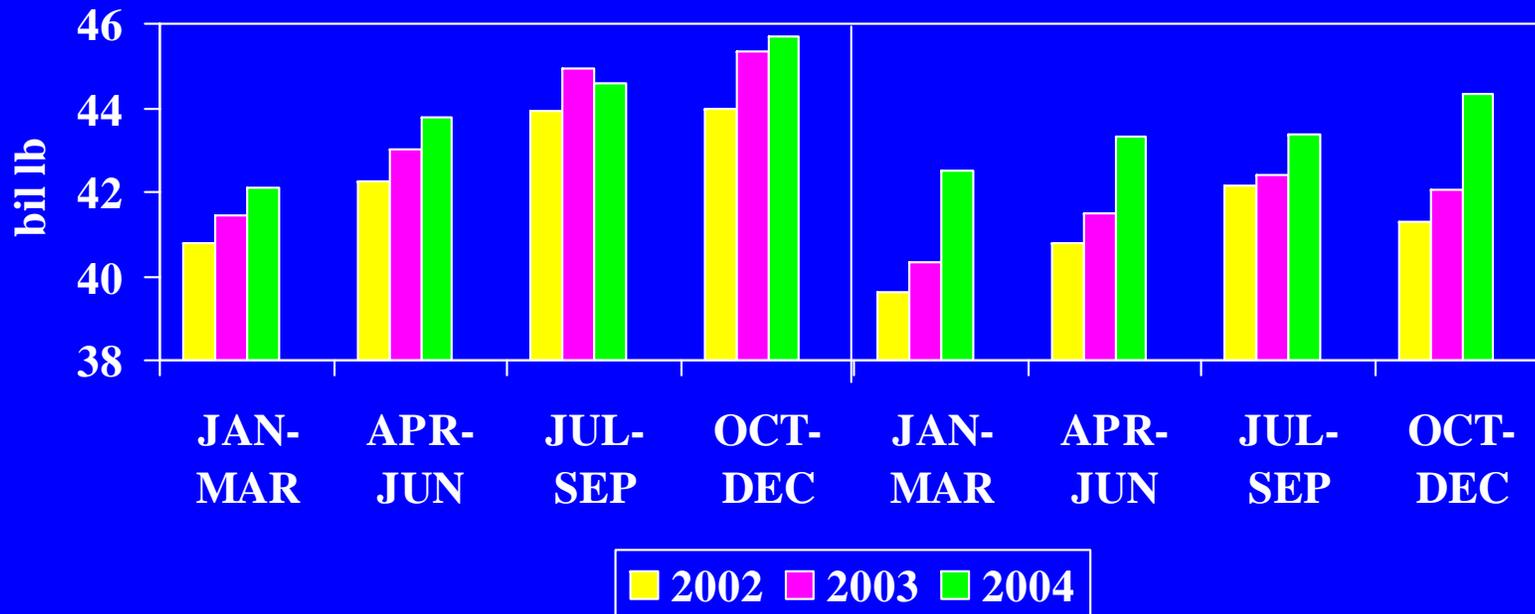
## Milk equivalent



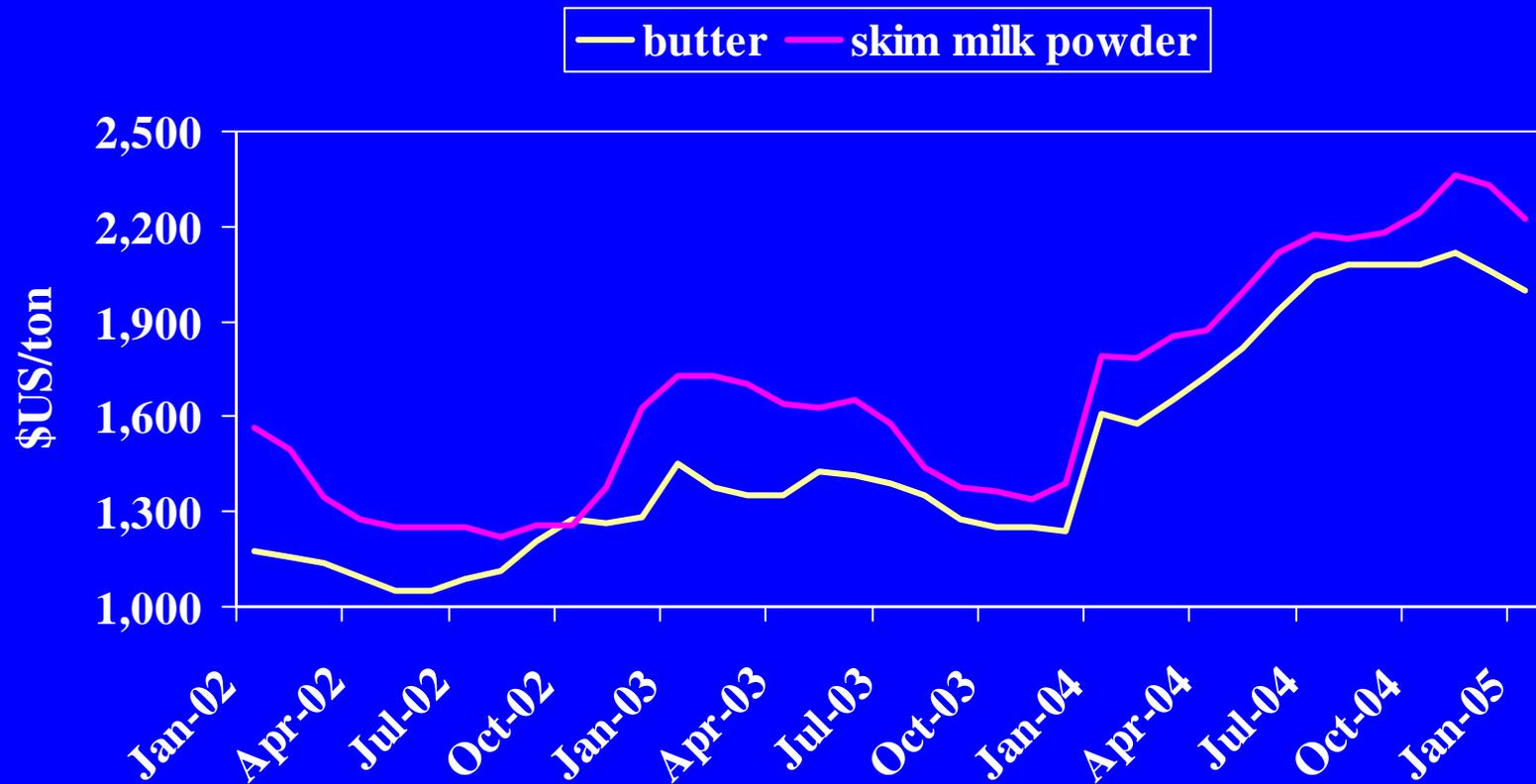
# Commercial use Milk equivalent

milkfat basis

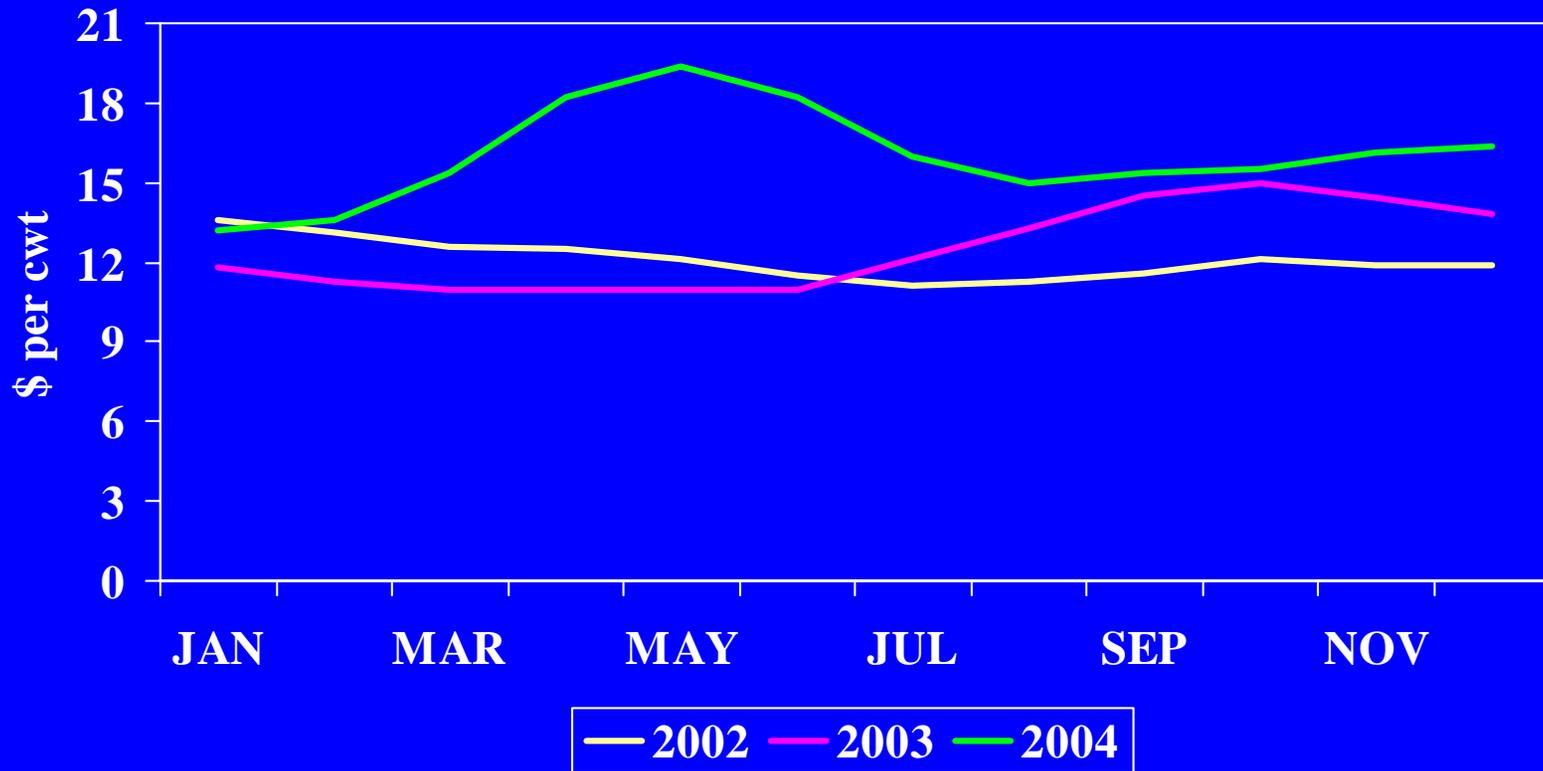
skim solids basis



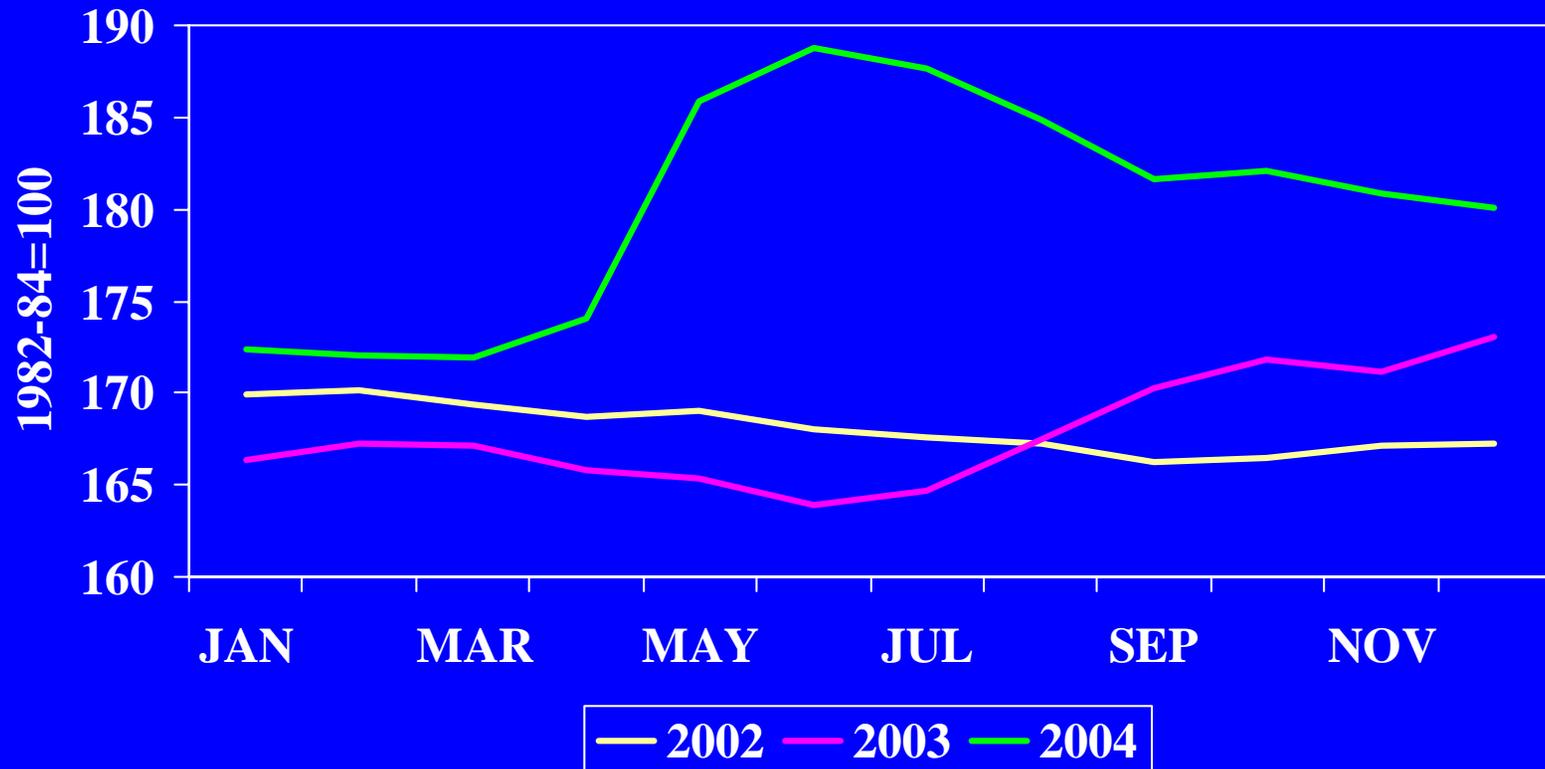
# International dairy prices fob northern Europe



# All milk price



# Retail dairy prices



# Lessons learned from recent markets

# Lesson 1

- Dairy demand is robust. No production increase means price jump.

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- Dairy demand is robust. No production increase means price jump.
- **BUT...**
- The base of demand growth is narrow.

# Lesson 2

- Year-to-year drops in milk per cow are no longer a rarity.

# Lesson 3

- Price volatility is here to stay.