

Rain helps optimism for Texas dairy industry

By DARREN TURLEY
Executive Director, TAD

The recent rains have changed the landscape of Texas, and the attitudes of Texas dairy producers have brightened as well.

Most areas of the state have had enough moisture to plant a crop or harvest spring forage. After more than a year of severe drought, these are extremely valuable circumstances for forage production. The cost of forage has been staggering this last year, and producers cannot withstand another year of drought conditions.

All producers are optimistic that this marks

the end of the drought. However, the U.S. Drought Monitor said in late March that the drought still covers 90 percent of the state and is hitting parts of West and South Texas particularly hard.

But the rest of the industry also seems optimistic. The Texas Association of Dairymen has received various calls inquiring on information for new dairies, new plant, and for innovative dairy products.

There is a lot of optimism about the future of agriculture, especially for dairy. A recent statistic I read stated that by tomorrow

morning an additional 200,000 people will be born around the world. This will continue for the next day and the next and will only increase exponentially over time.

The ability to feed the world is a task that expected to be undertaken by America's producers. The dairy industry already has proceeded to undertake this task. Dairy product exports have reached new heights, with 13 percent of our domestic production being sold overseas for the first time. This is a trend that is not expected to slow down in the future.

The domestic market is seeing a drastic increase in yogurt consumption and, with the introduction of Greek-style yogurt, the category has seen new highs. After tasting this product, it is easy to understand why this market will continue to grow as the product moves across the country.

The national dairy industry is poised for future growth and expansion. Texas dairy producers will definitely increase production to help meet these demands. Texas dairymen have shown their resilience over the last few years, but the outlook is starting to brighten for dairy products and markets.

The green landscape of spring is always a welcome sight, but it is enjoyed more following some relief to the extreme drought that the state of Texas has been experiencing.

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USDA whacks milk-price forecast

By TOM QUAIFFE
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The USDA has once again lowered its forecast for 2012 milk prices.

This morning, the USDA's "World Agricultural Supply and Demand Estimates" report projects that the all-milk price in the U.S. will average between \$17.25 and \$17.75 per hundredweight this year. That is a downward

weaker than expected product demand, price forecasts for cheese, butter, (nonfat dry milk), and they are lowered," the USDA said in today's report. "As a result, both Class III and Class IV price forecasts are reduced from last month," which, in turn, will lower the all-milk price estimate.

The Class III price is expected to average between

entire U.S. was up 4.3 percent compared to the same month a year earlier. (The calculation was adjusted for Leap Year). That was a hefty increase and marked the 25th month in a row that production was up on a year-over-year basis.

The Daily Herd Network can be found online at www.dailyherd.com.

