

Research Update: Milk Production & Dairy Cattle

Industry Outlook

The industry will be negatively affected by the recession through reduced demand for dairy products in domestic and international markets, but the recession's impact will be limited as dairy products are a staple food product and the industry receives strong government assistance.

IBISWorld, Inc. Recession Update: March 30, 2009

Industry Forecasted Growth

The revenue forecasts for 2008 and 2009 have been downgraded due to falls in dairy product prices. Revenue forecasts for the remaining years have been mainly upgraded marginally to reflect the economic recovery. A recovery is expected to start from the third quarter of 2009 as this is when per capita disposable income in the US is forecast to return to growth.

IBISWorld, Inc. Recession Update and Outlook Graph

Research Spotlight

Sharply lower export and domestic demand led the USDA to slash price forecasts in January. The 2009 all-milk forecast was cut from \$15.45 to \$12.20 per hundredweight, down from \$18.34 last year.

Nation's Restaurant News, 43

Consumers Displaying Preference for Private Label CPGs

Categories that saw large shifts to private label included several commodity food categories characterized by the absence of dominant brands, including milk, cheese, cookies, unprepared meats and seafood, ice cream, canned vegetables, nuts, butter, cooking oil and baking supplies.

Supermarket News, 57 (11): March 16, 2009

Industry Statistics

Dairy Products Industry Statistics as of April 7, 2009		
Industry Revenue	21.3	\$Bil
Industry Gross Product	8.7	\$Bil
Milk Production	189,100	Million Pounds (lb)
Market Capitalization	5	\$Bil
Price / Earnings	12.5	Ratio
Price / Book	-1.9	Ratio
Net Profit Margin	2.40%	%

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