Farm Bill - renegotiated every year. Factors affecting the Bill are supply & demand, agreements and status of relationships, and currency comparisons. Farm Bill will neither protect us fully or ruin us completely.

1. Where will the cows be milked?

A. places where marginal land has limited options other than the production of forage crops and grazing. Advantage to cattle vs chickens and pigs.

B. Midwest where the grain and forages are.

C. Based on a feed efficiency of 1.5: 1 (1 1/2 lbs. milk from 1 lb. of DM) means it will be more efficient to transport fluid milk and especially value added dairy products to populous regions than to transport feed dry matter from growing regions to the cows.

D. Locally produced by-products will play even bigger role to local dairy production but level of production will limit or restrict level of production.

2. Technology

A. crop genetics companies are working on silages and grains that can yield 50% more per acre.

B. animal genticists are working on identifying genes to get 200 lbs. milk per cow per day. Efficiency will become even more vital. A cow producing 200 lbs. milk will have to increase her lactation efficiency to 2.2:1 and still will need to eat 91 lbs. DM per day.

C. Stress and input management of soil and animal even more critical at these extreme production levels.

D. Sexed semen - will provide us with more stable and economical source of replacement animals.

E. Cloning genetically superior bulls - bulls genetically bred for things like mastitis resistance, heat tolerance, etc. Make it more affordable for these genetics in 3rd world countries - good for us? bad for us?

3. Global Economy

We are living in a global economy; the value of our dollar (low) limits the import of competitive products but also makes feedstuffs and by-products we produce more attractive in other markets, i.e. citrus pulp to China.

4. Biggest threat to dairy Industry??

Soymilk [Brent - I am going to google soymilk to see what I can find]
Dairy products will be produced based on who can produce the most profitable.

A. Conventional wisdom obsolete. More Feed = More Milk = More Profit

B. Land values for human food production will dictate where the dairy growth areas will be.

C. Efficiency based on profitability will reign. Products and feedstuffs that can be shipped, handled, and fed that promote the most profitable production per lb. of dry matter will be most important.