

***Stress, Anger, Depression and
Suicide Prevention
in the
Dairy Industry***

September 25, 2012 8:30-10:30 AM

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Closures hit the dairy industry





Feed costs push Valley dairies to brink





California dairies shut as milk price stayed below production cost

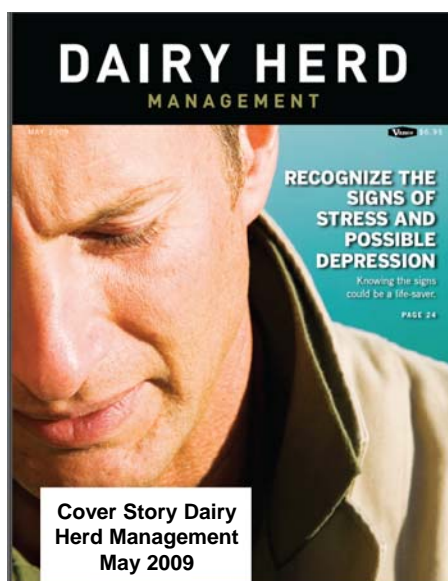





UPDATED: Dairy farmers say farm closures are continuing to rise

Issue Date: August 22, 2012
By Ching Lee

UPDATE posted Aug. 22
The California Department of Food and Agriculture has denied a request for an emergency hearing to consider temporarily raising the price of milk paid to California dairy farmers and other changes to the state milk pricing



The economic downturn has been with the dairy industry since before the 2008-2009 downturn.

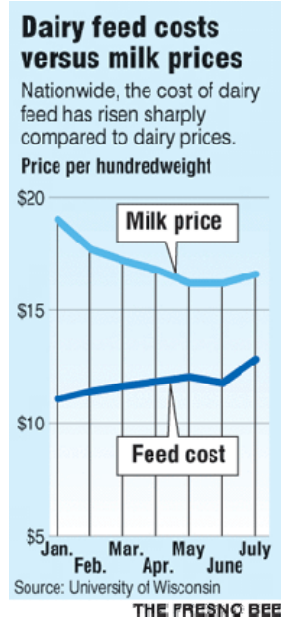
2009 Average:

Cost of production:
\$16.86 / cwt

Cost paid to farmers:
\$10.81 / cwt

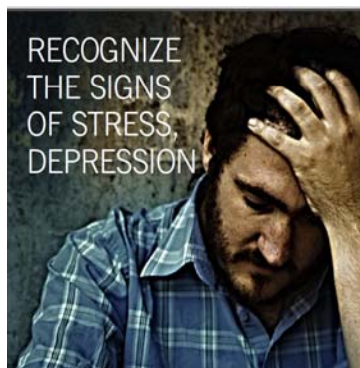
Central Features of Dairy Losses

- Price of milk paid to dairy farmers is set by regulation.
- Cost of production of milk has exceeded price paid to producers.
- 2008-2009 many producers borrowed heavily when milk prices collapsed.
- Milk price increases have not kept pace with feed costs.
- Roughly half of dairy operational costs are feed.
- Feed prices in 2008 – 20011 highest ever.



Effects of economic losses...

- San Joaquin valley bankruptcies
 - 10 in 2010
 - 24 in 2011
 - 28 in first ½ 2012
- Many more bankruptcies expected this year.
- One feed company has > 150 dairies on COD basis.
- Many more producers simply leaving the business.
- 2008 to 2011 the state has lost 283 dairies, 15% reduction
- Several producer suicides since 2008.



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