

# Center for Dairy Excellence

September 29, 2009



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## What Happened?

- Home Owners Lost Value
- Bank Mortgage Write-down
- Business Real Estate Loss
- Consumer Spending Drop (66% GDP)
- Job Loss
- Credit Cards
- Pay Day Loans



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## Global Financial Crisis



## Financial Rescue Package “Bailout”

- \$700B TARP
- \$787B Stimulus
- \$500B Guaranteed All Checking
- \$1.5T New Senior Bank Debt
- Other \$3.50T
- \$5.75T Money, Guarantees, Debt



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## Serious coin

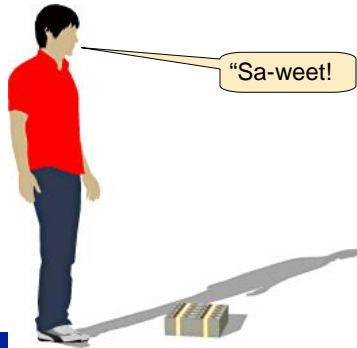
A packet of one hundred \$100 bills is less than 1/2" thick and contains \$10,000. Fits in your pocket easily and is more than enough for a week or two of shamefully decadent fun.



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# One Million Dollars!!!

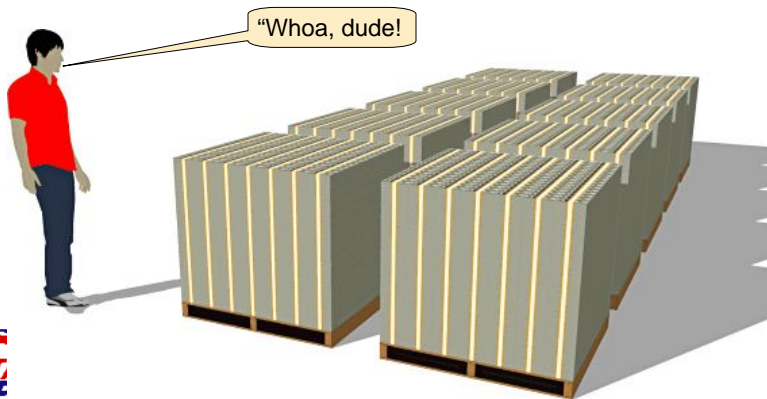
Believe it or not, this next little pile is \$1 million dollars (100 packets of \$10,000). You could stuff that into a grocery bag and walk around with it.



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# Holy cow!

And \$1 BILLION dollars... now we're really getting somewhere...

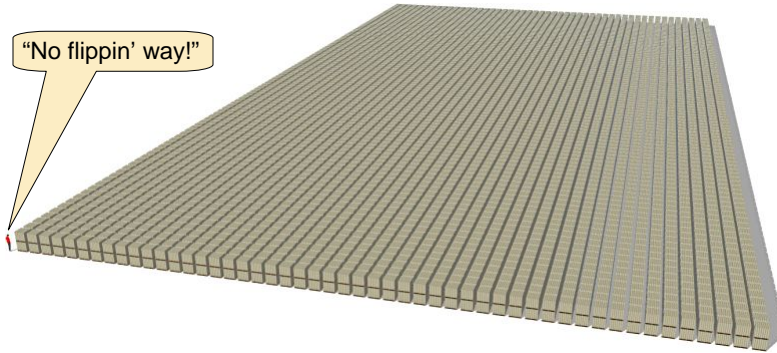


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# Ladies and gentlemen...

I give you \$1 Trillion dollars...

"No flippin' way!"



And notice those pallets are double stacked \$100 dollar bills!  
So the next time you hear your Congressman toss around the phrase "trillion dollars"... that's what they're talking about. Read on...

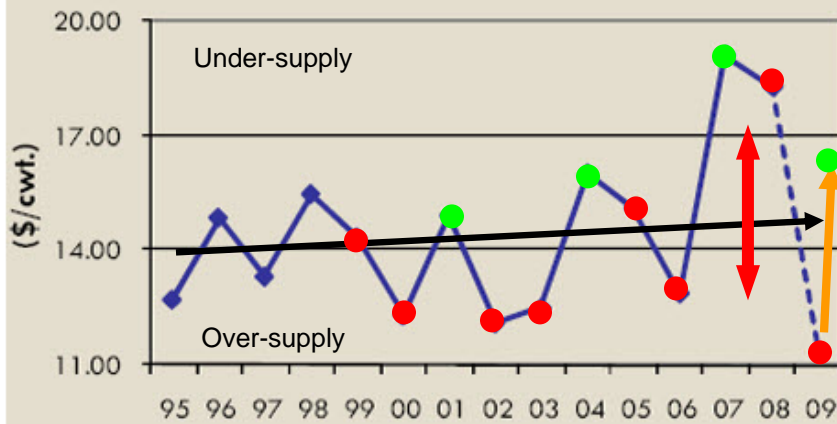


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02/10/09

## All-Milk Price

(at test, with USDA projection for 2009)



CME Group

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## Imports/Exports \$B

	2008	2009	2010
Imports			
Dairy	3.0	3.0	3.1
Cheese	1.2	1.1	1.2
Exports			
Dairy	4.0	2.3	2.4



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## Coming Back Slowly....

- September 15, 2009
- 9/09 \$12.04
- 11/09 \$13.18
- 2/10 \$14.12
- 7/10 \$15.08
- 1/11 \$16.18
- Cheese 1.27



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## Less Cows or Eat More Dairy Products

- <500,000>
- CWT 101,000
- CWT 87,000



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## Remember!

- Cows don't understand the checkbook!
- They Understand Comfort!
- Being Well Fed!
- The Next Generation!



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## What are Producers Doing!

- Forage Quality and Storage
- Protein Substitute
- Evaluating Labor
- Selecting top 1/3 Heifers Sexed Semen
- Watching for Margin Opportunities



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## The Right Things To Do?

- Talk with Lenders and Suppliers
- Accurate Balance Sheets/Cash Flow
- Understand Your Equity Position
- Know Your Cost/CWT Milk
- Keep the Family Informed



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