

Dairy Outlook Data: Status and Challenges

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Southern Dairy Conference

Atlanta GA, February 2006



Changes over time

- Data Providers
- Industry users
- Other users

Changes over time:

Data providers

- Fewer resources. Shrunken samples, fewer eyes, less data series “housekeeping”.
- Agricultural background rarer.
- Heavier reliance on procedures.
- Better cooperation among agencies.

Changes over time:

Industry users

- Management “business” people--not “dairy” people.
- Greater emphasis on internal information.
- May value industry-level information less.

Changes over time:

Other users

- Less agricultural and industry background.
- Oriented to analytical technique--not data quality.
- More likely to be “outside” dairy industry.

Major providers of dairy outlook data

- National Ag. Statistics Service (USDA and State Departments of Ag.)
- Ag. Marketing Service (USDA)
- Bureau of Census (Commerce), Customs Service (Homeland Security), Foreign Ag. Service (USDA)
- Bureau of Labor Statistics (Labor)
- Economic Research Service (USDA)
- Chicago Mercantile Exchange

Milk Production

- NASS survey.
- Increasing cooperation with Market Administrators' and State offices.
- Relatively reliable response and estimates, particularly for total milk output.

Dairy Products

(inc. manufacturers' stocks)

- Virtual census--not sample.
- Big, complex questionnaire for dairy plants.
- Most common problems related to housekeeping.

Cold Storage

- Formerly low response. Improved recently.
- Complex, long questionnaire for warehouse operators.
- Misunderstood data, even by industry oldtimers.
- Joint NASS-industry effort needed to stress importance.

Milk prices

(Agricultural Prices/AMS mailbox)

- Ag. Prices data quality variable.
- Opportunity for greater cooperation between NASS and AMS.
- AMS mailbox prices difficult to estimate and explain--but very useful.
- Product of substantial expertise.

Wholesale prices

(Dairy Market News/Dairy Product Prices)

- Spot markets shrinking, undercutting basis.
- Contacts source of DMN quotes.
- Attempt to produce specific, consistent quote.
- NASS price survey-based weighted average price.

Retail prices

(Bureau of Labor Statistics)

- CPI procedures designed to measure broad price changes--not individual prices.
- Problems accommodating changes in retail structure.
- Erratic movement of dairy sub-indices;
Sample size?

Dairy Trade

(Census, Customs, Foreign Ag. Service)

- Accuracy of official (Census) data troubling, particularly disaggregated.
- Reliable when verified by second (Customs/FAS) source.

Consumption/Commercial use Economic Research Service

- Disappearance calculations--not direct measurement.
- Any data errors accumulate in use estimate.
- Never right; Never far wrong.

Dairy outlook data are good

- Basically complete, reliable, and timely.
- Investment needed to keep system relevant and evolving along with industry.
- Ultimately, data will be good only if industry cares.
- Bad data not necessarily better than none.

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