

## From the desk of the DairyDoc

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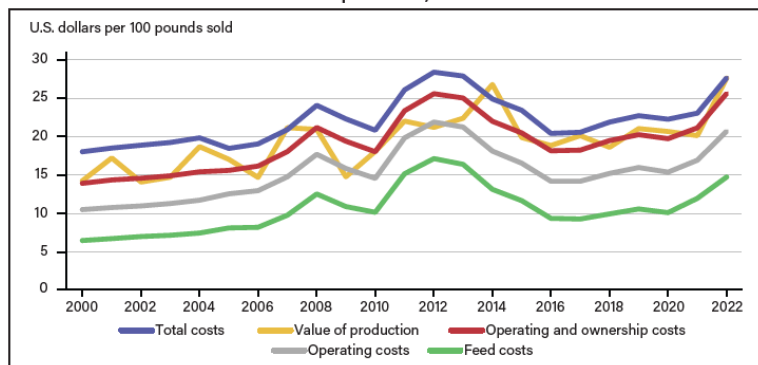
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### USDA-ERS study comparing 10 largest US dairy states reveals interesting, but very concerning data

A recent USDA-ERS study comparing dairy trends in the 10 largest dairy states between 2002 and 2022 reveals many interesting facts but also some extremely concerning findings. Besides obvious and well reported trends of increasing herd sizes, increased milk production efficiencies and use of modern technologies; one concerning if not alarming conclusion seems to get overlooked in the abundance of data, and demonstrates the reality of dairying in the US and quite frankly presents a clear and present threat to the industry itself and ultimately to food security: over the period 2000–22, *the average U.S. dairy farm covered operating costs in most years, operating and ownership costs in about half of the years, and total economic costs in only 2 years.* We have previously reported similar data for New Mexico, but this study reports this fact across the 10 largest dairy states in the US.

Ultimately economic sustainability is a dairy operation's first requirement and a 10% profitability rate over time is not a healthy indicator for long term survival, regardless of how successful the industry is in the environmental arena. Ironically, the very operations which are doing everything possible to achieve every sustainability goal set forward, cannot master the most critical sustainability challenge: staying in business... Since this is happening across the 10 largest dairy states in the US this is not just some producer, in some disadvantaged dairy location, unable to expand or failing to improve management of the operation to stay ahead of slimmer margins. This indicates a more systemic problem which only allows the top echelon, the upper 10% of operations, to succeed.

Costs and returns associated with U.S. milk production, 2000–22

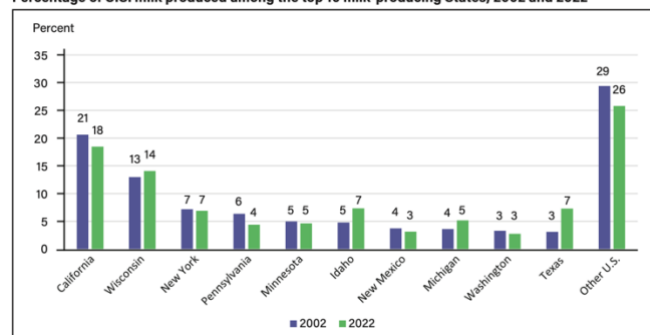


Source: USDA-ERS, July 2024. <https://doi.org/10.32747/2024.8534118.ers>

### What else did the study reveal?

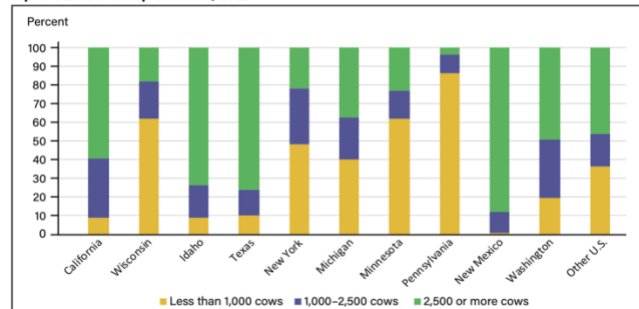
The State with the largest increase in U.S. milk production share over the period was Texas, which increased from 3 percent to 7 percent of production. Idaho increased its share of U.S. milk production by 2 percentage points, from 5 percent to 7 percent. On the other hand, States that were not included in the top 10 milk producing States decreased production share by 3 percentage points, from 29 percent to 26 percent.

Percentage of U.S. milk produced among the top 10 milk-producing States, 2002 and 2022



Idaho, Texas, and New Mexico each had more than 70 percent of their milk sales from farms with 2,500 cows or more. On the other hand, Wisconsin, Minnesota, and

Percentages of milk sales in dollars from farms by December 31, 2022, dairy cow inventory, by State, top 10 States in milk production, 2022



Pennsylvania each had more than 60 percent of their milk sales from farms with fewer than 1,000 cows.