



# Idaho Economic Outlook and Revenue Assessment

2014-2015  
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Milk



# There are currently 536 Dairies in the State of Idaho with:

- 304 Dairies in the Magic Valley
- 130 Dairies in Eastern Idaho
- 102 Dairies in the Treasure Valley



# Since 2005 the number of operational dairies has declined 27% leaving Idaho with 536 live dairies

- Primary Reasons for this decline include:
  - Changes in county zoning ordinances
  - A decrease in feed availability
  - Increased difficulty of loan approval for farmers along with fluctuating interest rates since 2008
  - Uncertainty of Immigration Reform and Obama Care's impact on the industry

# Despite the decline in operational dairies, Idaho has added 181,000 mature cows since 2005:

- These additional cows bring a total to date of approximately 573,000 cows
- This is roughly 1 dairy cow for every 2.7 people in the state of Idaho
- The majority of this growth occurred prior to 2009
- Total output per cow has increased about 37% over the past 20 years to 23,376 lb per head annually
- **Daily production has increased to approximately 36.6 million lbs of milk per day.**
- **At today's milk prices that roughly equates to \$7.3 million/day, or \$2.7 billion annually (estimated for 2014)**
- This increase in production is attributed to both the growth in the number of cows as well as higher productivity per cow

# Jobs created by Dairy Farms:

- Moving the 36.6 million lbs of milk per day requires a minimum of 512 semi truck loads of milk
- There are 9,000 people directly employed by dairy farms- 23,000 secondary jobs created by the dairy industry as a whole
- Abundant milk supplies have led dairy processors to build new facilities and expand existing facilities in Idaho



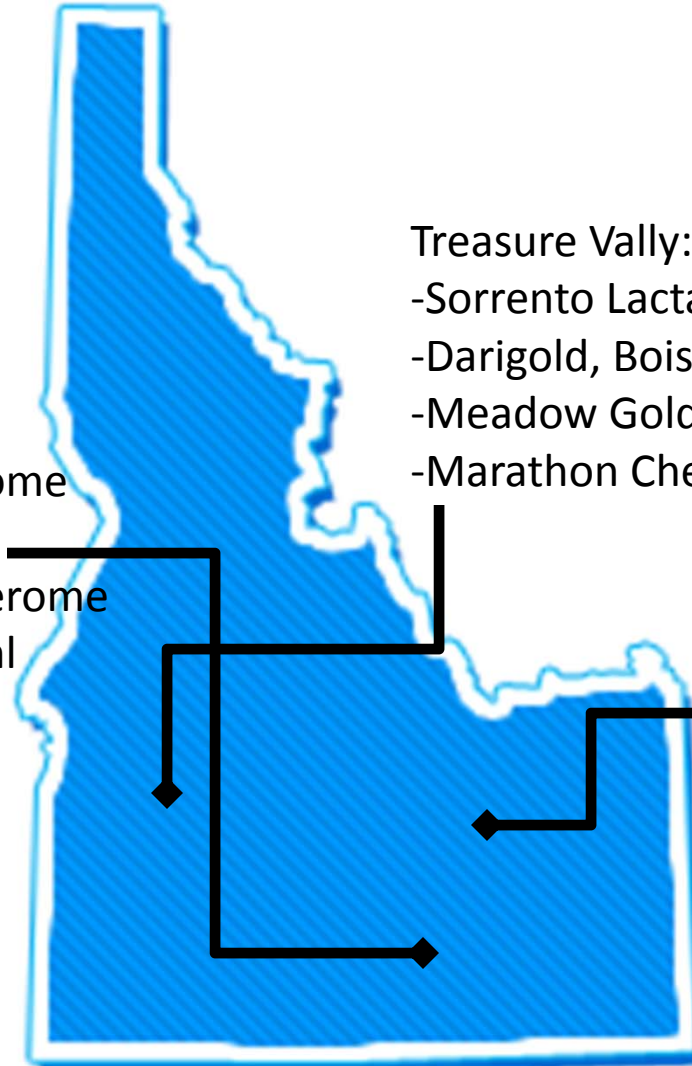
# Idaho Processing (as of July 2013)

## Magic Vally:

- Glanbia Foods, Richfield
- Glanbia Foods, Gooding
- Ballard Cheese, Gooding
- Jerome Cheese, Jerome
- Idaho Milk Products, Jerome
- Darigold, Jerome
- Commercial Creamery, Jerome
- Cloverleaf Creamery, Buhl
- Chobani, Twin Falls
- Glanbia Foods, Twin Falls
- High Desert Milk, Burley
- Stoker Wholesale, Burley
- Gossner Foods, Heyburn
- Brewster Cheese, Rupert

## Treasure Vally:

- Sorrento Lactalis, Nampa
- Darigold, Boise
- Meadow Gold, Caldwell
- Marathon Cheese, Mountain Home



## Eastern Idaho

- Reed's Dairy, Idaho Falls
- Glanbia Blackfoot Cheese Division, Blackfoot
- Nelson Ricks, Rexburg

# Economic Contribution:

- The dairy processing industry included cash receipts of 2.2 billion in 2011
- The Dairy Processing Industry employed 3300 people, with employee compensation of \$131.3 million
- This brings the total jobs created by the dairy industry (dairy jobs, manufacturing jobs, and secondary jobs) to 33,077
- The additional value to the Idaho economy from the dairy processing industry was \$202.5 million



# Current state of Idaho's Dairy Manufacturers:

- There is currently more processing capability in the state of Idaho than there is milk to process
- Many Manufacturers are smaller companies that don't have large corporate infrastructures (including R&D Departments, Dairy Processing technologies, food scientists, ect.)
- Many of the dairy processing companies work with Utah State University, South Dakota State University, University of Wisconsin, Cornell University, and Cal Poly University when they need technical assistance with processing problems, development of new products, trouble shooting, and manufacturing management positions
- Dairy processing companies continue to relocate to Idaho, creating needs in the area of a skilled workforce, resources from universities, community colleges, and the Land Grant Cooperative Extension Program



# Economic Impact

- For every job added by a dairy or processing plant, an additional 1.7 jobs are supported outside the industry-For every \$1000 in personal income paid by the dairies and processing plants, an additional \$1,200 is "created"
- For every \$1,000 of income paid by dairies and processing plants, state taxes of all kinds (sales, income, gasoline, beer, wine, etc) increase by \$372

(information provided by Dr. Don Holly, Boise State University)

# The Big Picture

- The dairy is the number 1 agriculture product in the state of Idaho
- As well as number one per capita in the nation
- In my estimation the dairy industry plays a vital role in the state of Idaho's economy. Considering the fact that Idaho is currently ranked third in the nation behind CA and WI in dairy production, the impact extends far beyond our rural area.

