

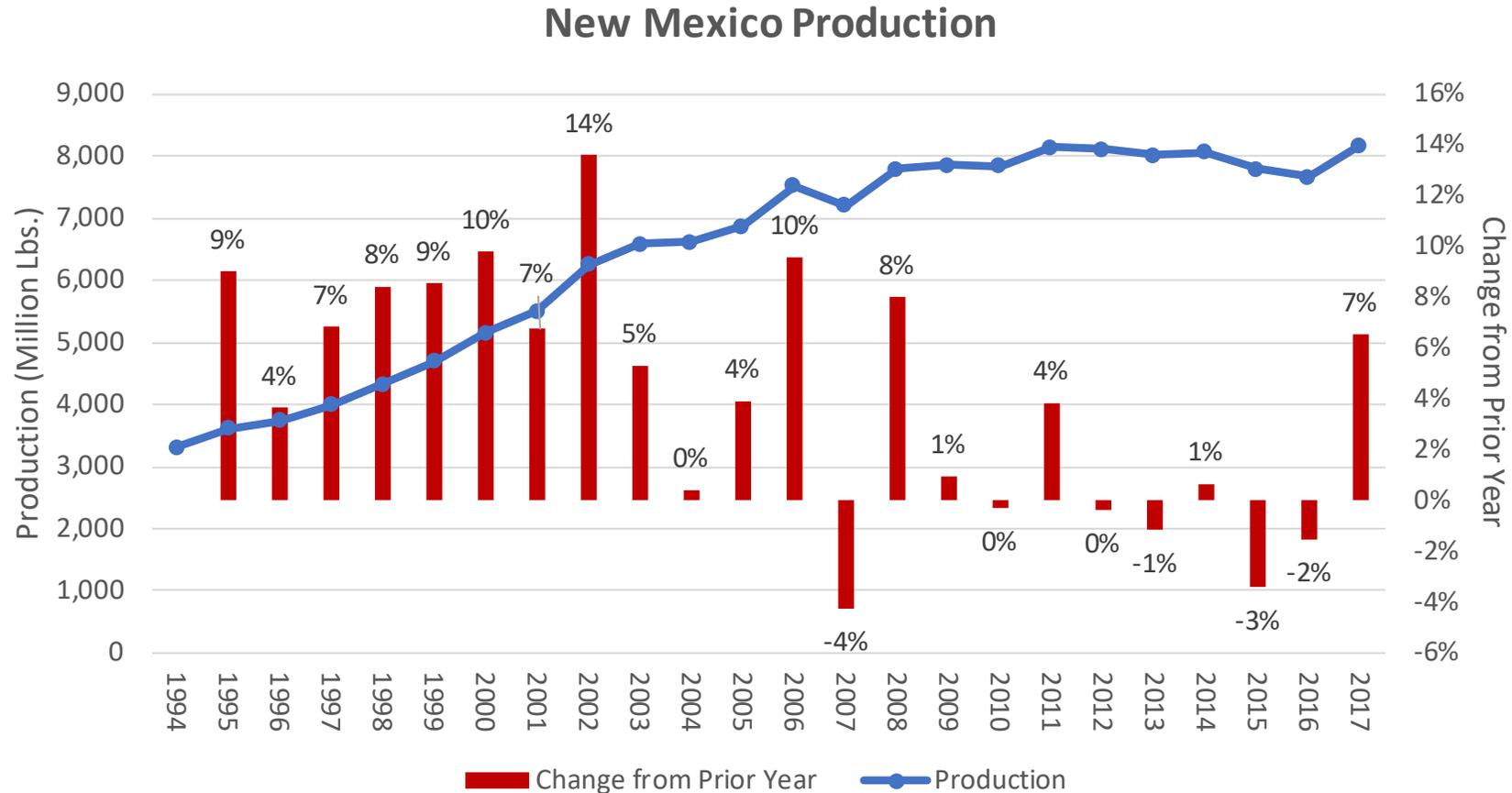
State of the New Mexico Dairy Industry

Walter Bradley

New Mexico Dairy Industry

- The New Mexico dairy industry is a national leader in dairy production even though most New Mexicans do not know how important the industry is to our economy
- New Mexico ranks 9th in the production of milk in the United States
 - 2018 production was 715,286,768 pounds (84,151,384 gallons)
 - Year-to-date production is down about 3.5 percent from 2018
 - Total dairies are now at 128 farms versus the peak of 180 farms in 2003
 - Total number of cows are holding steady at 390,000 milk cows

Historical growth – New Mexico



Flat for latest 5 and 10 years,
4% long term

New Mexico Dairy Industry

- First in average herd size at about 2,900 per dairy
- First in production per cow at 68 pounds per day of high quality milk
- Fifth in cheese production as we now are the home of the world's largest cheese facility, Southwest Cheese, located in Clovis
 - 300 truck loads of milk per day
 - 60,000 pounds or 7,058 gallons delivered by each truck
 - Manufacturing 1.5 truck loads of milk every hour and shipping around the world
 - Large importer of water from Texas and Kansas
- Other cheese processing plants in New Mexico
 - Roswell, N.M.
 - Specialty cheese plant in Las Cruces, N.M.



New Mexico Dairy Industry

- The dairy industry is New Mexico's largest agriculture commodity with about 4,200 direct employees
 - Over 12,000 industry jobs
 - 20,000 total jobs
- A New Mexico State University Extension Service study estimates a direct economic impact of \$1.5 billion and total impact of \$2.6 billion
 - Dairy and beef combined are virtually tied with oil and gas in revenues \$3.3 versus \$3.1 billion



New Mexico Dairy Industry

- Underneath all these economic numbers and high rankings is the individual family-owned dairy who is supplying the milk to make this possible and today they are struggling
- Dairy farm milk prices
 - Flat over the past 18 months
 - Borderline break even price
- Most people do not realize dairy farmers do not set their own price
- Prices are set by the Federal government from a formula set by the government

New Mexico Dairy Industry



- Farmers are price takers not givers
- Thank you for passing;
 - Dairy Rule Act giving farmers consistency in the permitting process
 - Right to Farm Act giving protection from nuisance lawsuits
- Due to the price restrictions it is imperative for elected officials to thoroughly vet, with industry producers, any proposed changes to rules, regulations or law that will affect the industry
- We are proud to say in most cases our New Mexico legislators do seek input from industry leaders before introducing changes and all of us involved in the agriculture industry want to continue that working relationship

Questions