

Fewer dairy farms left the business

Only 1,651 dairy operations hung up their milkers for the last time in 2011. That's the smallest drop, both percentage and actual, since 1992.

by Hoard's Dairyman staff



AFTER losing over 80,028 dairy farms since 1992, it appears the reductions in licensed dairy operations are moderating. In the last four years, losses have ranged from 1,651 to 2,195 with the watermark coming in 2009 following some extremely difficult financial conditions.

Table 1 shows the 20-year history detailing the number of dairy farms holding permits to sell milk. Since 1992, the drop in licensed, or so-called commercial dairy farms, has been 80,028 from 131,509 to 51,481. That's a 61 percent drop during that time.

Of the 80,028 dairies that exited the business during the past two decades, the vast majority, 57,497 or 72 percent, sold their cows between 1992 and 2002. That is an average of 5,861 dairy herds each year. Since then, the total has been cut more than in half. From 2003 to 2011, only 22,531 businesses left our industry for a nine-year average of 2,503.

The farms counted in this survey are those that have a permit to sell milk. This number differs from another USDA estimate . . . operations with milk cows. That total is 60,000 and has declined 108,500 or 64.4 percent since 1992.

Table 1. Licensed U.S. dairy farms

Year	Number	% change
1992	131,509	
1993	124,945	-5.0
1994	117,732	-5.8
1995	111,825	-5.0
1996	106,181	-5.3
1997	99,413	-6.4
1998	91,508	-8.0
1999	87,527	-4.4
2000	82,937	-5.2
2001	76,875	-7.3
2002	74,012	-3.7
2003	70,375	-4.9
2004	66,830	-5.0
2005	64,540	-3.4
2006	62,070	-3.8
2007	59,130	-4.7
2008	57,127	-3.4
2009	54,932	-3.8
2010	53,132	-3.3
2011	51,481	-3.1

Table 2 provides an overview of the last 20 years of change. Nationally, average herd size has gone up 142 percent, from 74 to 179 cows. Regionally, the West (+248) and the Midwest (+121) have seen the largest percentage gains in herd size.

Western herds added 32 cows last year, bringing their average to 916 cows per operation. Meanwhile, the Southeast (+6) and Midwest (+5) had small gains in herd size, while the Northeast remained constant at 95 cows for back-to-back years. The last time the Northeast showed no growth in herd size was 2004. From 2004 to 2010 gains ranged from 1 to 3 head annually.

On a percentage basis, the Midwest edged out the Southeast (4.5 versus 4.3 percent) for the largest share of farms calling it quits. This is only the fourth time the Midwest lost more farms than the other four regions. It also lost the most farms in 1994, 1997, and 2002.

However, since 1992, the Southeast has lost more operations than any other area as farms fell from 12,057 to 3,475 . . . a drop of 8,582 or 71 percent. Cow numbers followed suit; there are 664,000 fewer cows or a 53 percent decline.

During the same period, the Midwest experienced a 63 percent decline in herd numbers, going from 80,135 to 28,525. Meanwhile, the West lost 54 percent of its herds, and the Northeast posted the smallest loss at 49 percent.

Among states with over 1,000 dairy operations, farm numbers fell only 3 percent compared to 3.6 percent for the remaining 39 states. New York was the only state that bucked national trends by adding 70 dairy operations last year.


When evaluating other states with over 1,000 permitted operations, Iowa lost the most ground as 6.7 percent of its dairy farms called it quits. That is the Hawkeye state's largest drop since 2003 and may be attributed to farmers who have decided to sell the dairy herd and turn to cash crops. Missouri was close behind as it lost 6.1 percent of its farms. 

Table 3. Dairy farm numbers by state and region

State/Region	2010	2011	Change	Percent change
Midwest				
Illinois	860	810	-50	-5.8
Indiana	1,660	1,650	-10	-0.6
Iowa	1,790	1,670	-120	-6.7
Kansas	390	370	-20	-5.1
Michigan	2,230	2,160	-70	-3.1
Minnesota	4,540	4,325	-215	-4.7
Missouri	1,630	1,530	-100	-6.1
Nebraska	260	245	-15	-5.8
North Dakota	170	145	-25	-14.7
Ohio	3,250	3,170	-80	-2.5
South Dakota	375	350	-25	-6.7
Wisconsin	12,710	12,100	-610	-4.8
Region total	29,865	28,525	-1,340	-4.5
Northeast				
Connecticut	140	140	0	0.0
Delaware	50	50	0	0.0
Maine	310	310	0	0.0
Maryland	530	510	-20	-3.8
Massachusetts	170	160	-10	-5.9
New Hampshire	130	120	-10	-7.7
New Jersey	90	85	-5	-5.6
New York	5,380	5,450	70	1.3
Pennsylvania	7,340	7,240	-100	-1.4
Rhode Island	15	15	0	0.0
Vermont	1,020	1,000	-20	-2.0
West Virginia	100	95	-5	-5.0
Region total	15,275	15,175	-100	-0.7
Southeast				
Alabama	60	55	-5	-8.3
Arkansas	130	120	-10	-7.7
Florida	140	140	0	0.0
Georgia	260	260	0	0.0
Kentucky	940	900	-40	-4.3
Louisiana	150	140	-10	-6.7
Mississippi	130	120	-10	-7.7
North Carolina	290	290	0	0.0
Oklahoma	250	230	-20	-8.0
South Carolina	85	80	-5	-5.9
Tennessee	490	450	-40	-8.2
Virginia	705	690	-15	-2.1
Region total	3,630	3,475	-155	-4.3
West				
Alaska	5	4	-1	-20.0
Arizona	110	110	0	0.0
California	1,715	1,675	-40	-2.3
Colorado	130	130	0	0.0
Hawaii	2	2	0	0.0
Idaho	585	575	-10	-1.7
Montana	70	70	0	0.0
Nevada	25	20	-5	-20.0
New Mexico	140	140	0	0.0
Oregon	270	270	0	0.0
Texas	590	590	0	0.0
Utah	240	240	0	0.0
Washington	460	460	0	0.0
Wyoming	20	20	0	0.0
Region total	4,362	4,306	-56	-1.3
U.S. Total	53,132	51,481	-1,595	-3.1

Table 2. How our industry changed from 1992 to 2011

	1992			2011			Percent change		
	Herds	Cows (1,000s)	Cows/herd	Herds	Cows (1,000s)	Cows/herd	Herds	Cows	Cows/herd
Midwest	80,135	4,100	51	28,525	3,226	113	-64	-21	121
Northeast	29,758	1,824	61	15,175	1,439	95	-49	-21	55
Southeast	12,057	1,253	104	3,475	589	169	-71	-53	63
West	9,559	2,515	263	4,306	3,943	916	-55	57	248
U.S.	131,509	9,692	74	51,481	9,197	179	-61	-5	142