



Roswell . . . believe

# Agriculture: Dairy<sup>1</sup>

- ✓ New Mexico is 7<sup>th</sup> in the country for the amount of milk produced.<sup>2</sup> Eastern New Mexico [Chaves, Roosevelt, Curry] produces 77.5% of the milk in New Mexico with Chaves County producing 25.8% of that.
- ✓ According to NMSU Dairy Extension, the Dairy Industry (including production and processing) produces 17,158 FTE jobs in the state and 4632 FTE jobs in Chaves County. At an average wage of \$52,190, that equals to \$895.5 million in annual salaries in the Dairy Industry in New Mexico and \$241.3 million in Chaves County.<sup>3</sup>
- ✓ From 1990-2010 the milk produced in the SW (NM, AZ, TX, and OK) increased from 6.7% to 11.3% of total US production
- ✓ Chaves County total FTE employment [2007] 29,030 of which dairy is 12.84% compared to 1.65 for New Mexico. In addition, the dairy financial output for Chaves County is 21.64% compared to 2.67% for New Mexico
- ✓ Impact of losing a dairy:
  - \$6.8 M dairy direct and 10.8 M dairy total (including processing).
  - 22 direct jobs and 64 total jobs (including processing).
  - Generations of expertise, knowledge, and genetic improvements
  - Fewer businesses contributing to rural communities and tax bases

## Breakdown of dairies in Chaves County vs. New Mexico

	Chaves County	New Mexico
<b>No. Producers</b>	32	147
<b>Change from 2003</b>	-8	-33
<b>Milk Cows (1)</b>	83,000	320,000
<b>Milk (Mil. Lbs) (2)</b>	151.6	662.5
<b>Percent of State Total</b>	22.3%	100%
<b>Estimated Direct \$ (3)</b>	223M	1B
<b>Estimated Total \$ (4)</b>	4312M	1.4B

(1) NMDA 2011 (average monthly fro 2011) - peak was at 329,000 in 2009 (down about 2%) (2) Million lbs. for Feb. 2013 (NASS) (3) Average monthly productions from April 05 to April 06 were 593,086,147 lbs.; so 15.5% more milk with 2.0% less cows (4) Approximate Direct and Total dairy revenue by county is an estimate based on the % of dairy production by county as part of the total economic impact

## Economic Impact of the dairy industry Chaves County vs. New Mexico (2005-2006)\*\*

	Direct Impact (m)*	Indirect Impact (m)	Induced Impact (m)	Value-Added (m)	Total Impact (m)
<b>Chaves</b>	\$310.1	\$132.9	\$161.0	\$134.6	\$738.6
<b>New Mexico</b>	\$1,148.6	\$492.3	\$596.4	\$498.4	\$2,735.7

\*Assuming revenue from animal sales is 5% milk value. Direct Impact = Milk + Animal Sales.

\*\*Information from 2005-2006 NMSU-Clovis' New Mexico Dairy Industry Brief

<sup>1</sup> All figures are from the NMSU Dairy Extension unless otherwise noted. Most of these documents date from between 2005-2007, with some being from 2011.

<sup>2</sup> [http://www.statemaster.com/graph/ind\\_mil\\_pro-industry-milk-production](http://www.statemaster.com/graph/ind_mil_pro-industry-milk-production)

<sup>3</sup> This number was calculated by dividing the NMSU number of \$3billion paid in salaries by 57,482 jobs in NM, TX, AZ, and OK equaling an average wage of \$52,190. This wage was then multiplied by the 17,158 dairy workers in New Mexico and the 4632 workers in Chaves County.

### Job generation Chaves County vs. New Mexico\*

	Job Generation			Total Jobs
	Direct	Indirect	Induced	FTE
<b>Chaves County</b>	779	1543	2311	4632
<b>New Mexico</b>	2886	5713	8559	17,158
<b>Average Dairy</b>	17	34	51	101

\*Information from 2005-2006 NMSU-Clovis' New Mexico Dairy Industry Brief

### Importance of New Mexico's Dairy Industry

Overall Total Dairy Production Economic Impact (2009 numbers)	\$1.6 billion	
Overall Total Dairy Processing Economic Impact (2009 numbers)	\$2.8 billion	
Direct Economic Impact to the New Mexico Economy	\$1.0 billion	
Dairy-Percentage of NM Gross Receipts (Jul '10-June '11)	3.9%	
Ag-Percentage of NM Gross Receipts (Jul '10-June '11)	9.9%	10th in New Mexico
Dairy receipts as a % of NM total Farm Receipts (2009)	38.4%	
Total Employment Generation in New Mexico (from dairy production)	8,263 jobs	\$335 million paid in salaries
Direct Employment Generation in New Mexico (from dairy production)	3,325 jobs	\$142 million paid in salaries
Total Employment Generation in New Mexico (from dairy processing)	9,427 jobs	\$425 million paid in salaries
Direct Employment Generation in New Mexico (from dairy processing)	1,357	\$74 million paid in salaries
Overall Employment Generation in the Southwest from dairy (TX, NM, AZ, OK)	57,482 jobs	\$3.0 billion paid in salaries
Number of Cows per Dairy	2,175	1st in the USA
Contribution to National Milk Production	4.1%	9th in the USA
Contribution to Southwest Milk Production (incl. CA)	12.5%	3rd in the Southwest
Number of Milking Cows (2011)	322,000 head	34th in the USA, down 11% from 2006
Milk Produced	8.1 billion lbs	up 20% from 05/06
Milk Productivity	24,854 lbs	1st in the USA