



Keeping Dairy Green and Growing In Pennsylvania

Got dairy? Pennsylvania does — a thriving \$4.2 billion industry, with 8,500 dairy producers and 550,000 cows. The dairy industry is a key economic driver and the leading segment of the number one industry in the state — agriculture.

Pennsylvania's dairy farmers provide the foundation for more than 40,000 jobs in the state and supply more than 10.5 billion pounds of milk for dairy processing plants up and down the East Coast. They are deeply committed to the well-being of their animals and the health of our environment.

Pennsylvania needs its dairy industry to provide good jobs, valuable income and open spaces for its rural communities. Pennsylvania's dairy farms bring revenue to local

vendors from sources outside the community, fueling the local economy.

Dairy farms are net importers of valuable income to the local community. The typical dairy farm exports more than 85 percent of the products it produces to outside regions and buys the majority of its supplies locally. They also have a positive effect on the local tax base, supplying more in revenue than they require in tax dollars.

*Center for Dairy Excellence mission:
Empowering people, creating partnerships,
and coordinating resources to grow dairy
industry profitability in Pennsylvania.*

A growing dairy industry means more jobs and more tax base for the state, with every nine cows producing one job in the industry and one cow supplies \$13,737 in economic value to the community. And profitable farms are sustainable farms, providing wide open spaces and many other benefits to Pennsylvania's environment.

Governor Edward Rendell and Agriculture Secretary Dennis Wolff created the Pennsylvania Dairy Task Force and, subsequently, the Center for Dairy Excellence in 2003 to support a strong and growing dairy industry in the state.

Since then, these two organizations have made significant progress. But there is still much work to be done in order to maintain a strong dairy infrastructure and keep both producers and processing plants from leaving the state.



CENTER FOR
DairyEXCELLENCE

Pennsylvania Dairy Task Force

Center for Dairy Excellence & Task Force Key Accomplishments



DAIRY FARM NET PROFITS

Since 2003, the state has grown its annual milk supply by 644 million pounds. This has helped to increase on-farm profits by \$82 million in the dairy sector, generating more than \$185 million in economic impact for the commonwealth. Efforts by the center and task force to coordinate the direction, goals, leadership and resources of the dairy industry have helped to sustain this increase.



More than 110 individuals representing all facets of the dairy industry serve on the PA Dairy Task Force, helping to generate collaboration and widespread support for Center initiatives.



The Dairy Profit Team Program

brings better ideas and increased profits to more than 100 dairy farms. Those participating in the program's first year

saw \$249 in increased profits per cow on their farms. For a dairy with 100 cows, that translates to more than \$60,000 in revenue for the local economy each year.

The Dairy Advocacy & Resource Team

provides industry support personnel who interact daily with Pennsylvania's 8,500 dairy farmers with valuable information to help their producer clients. More than 200 individuals from 46 organizations participated in DART in 2007. If each one of those participants shares that information with 10 producers, the program would reach 2,000 producers.



Discover Dairy Lesson Series, a

collaboration of the center and the Pennsylvania Dairy Promotion Program, is an interactive, Web-

based lesson series with video, formal lessons, classroom activities and computer-based games. The lesson series can be found at www.discoverdairy.com and show students the valuable contributions dairy farms provide to our local communities.

The Dairy XP (eXtra Production) Program,

a pilot program initiated by the task force in Bradford and Tioga counties, provided incentive for producers to increase milk production. A study showed the program helped increase total milk production by 10 percent in the two-county region, bringing in nearly \$2.9 million in direct income for dairy producers and another \$1.4 million in indirect economic impact for the region. Only about \$372,000 of that came directly from the incentive payments, resulting in a 11-to-1 return on investment.



Dairy Expansion Grants, made available to 13 dairy farms in nine counties located in the north-western corridor, will help grow dairy and the economy in that region. One example of a grant-funded business is Rynd Home Farms, where the grant helped to fund pre-construction costs associated with moving from a 100-cow tie stall facility to a 200 - 250-cow free stall facility. Rynd Home is planning to add 100 - 150 cows to their operation, which will provide an additional \$1.4 - \$2 million in economic return to the local community.



Business Planning Grants were provided to 12 Pennsylvania dairy farms to do comprehensive business plans in 2007. Those plans will help those farms move their operations to the next level. They will also provide a base for two business planning templates being developed for dairy farm operations by the Kutztown University's Small Business Center. The first template will be for traditional business planning, while the second will be for comprehensive expansion planning.

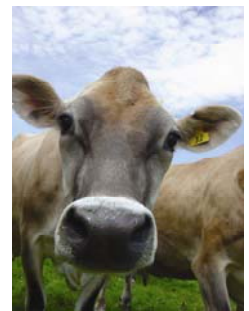
Collaboration with Penn State and the University of Pennsylvania, and industry groups such as The PA Dairy Stakeholders and The



Professional Dairy Managers of Pennsylvania, has enabled the center to extend educational opportunities to Pennsylvania's dairy farm families. Some examples are

coordination of the Dairy Profitability Forum, which provided simple, low-cost ideas for improving profitability, and support of Penn State's PA (Profitability Assessment) Dairy Tool, which helps producers drill down to specific bottlenecks on their operation.

Capitol Dairy is one of several projects helping young producers transition into the dairy business. Capitol Dairy is the first dairy incubator in the commonwealth, giving a beginning dairy producer the opportunity to build equity in his business before purchasing his own farm.



The Northeast Dairy Leadership Team, created by a Memorandum of Understanding between the agriculture leadership in Pennsylvania, New York and Vermont, establishes a vision and promotes profitability for the region's dairy industry. Recognizing the value of dairy, the three states brought together more than 50 individuals representing all facets of the dairy industry to be part of the NEDLT.



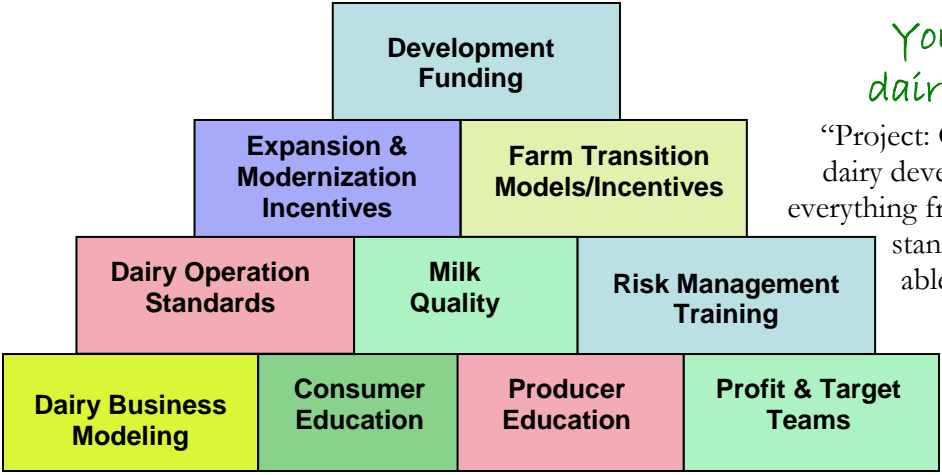


The Next Phase In Growing Pennsylvania's Dairy Industry



Pennsylvania's dairy industry is at a crossroads. After declining substantially from 2000-2003, milk production in the state has grown from 10 billion to 10.6 billion in the past three years. The Pennsylvania Dairy Task Force and the Center for Dairy Excellence have an

aggressive plan to maintain that growth and keep the dairy industry strong and vibrant in the commonwealth.



You can play a role in keeping dairy green and growing in PA

“Project: Grow Dairy 2012” is a strategic plan for dairy development in Pennsylvania encompassing everything from training to incentives to operational standards to help producers be more profitable and viable in PA. A key component of this plan is to build an environment favorable to dairy in the state.

How you can help:

- **Welcome dairy in your local community.** Dairy farms bring good jobs and valuable income to the local community, and they need to be able to modernize and grow to be viable. Make sure your policies are supportive of that growth.
- **Provide opportunities to educate non-farm neighbors about today's dairy farm businesses.** Consumers need to understand today's dairy farmers are deeply committed to the animals they care for, the land they farm, the products they produce and the community in which they live. If you're hosting a meeting, consider providing time on the program for someone to talk about dairy's role in the local community.

- **Advocate for support of the efforts of Center for Dairy Excellence.** Growing the Pennsylvania dairy industry takes leadership and direction, and the Center for Dairy Excellence provides that leadership. In order to keep the momentum going, the center needs the continued support of state and local policy leaders for its programs and initiatives. The center also welcomes opportunities to speak about dairy and its impact on the state.

For More Information:

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*An Initiative of the Pennsylvania Department of Agriculture
 Dennis Wolff, Secretary*