

Dairy in Pennsylvania

A Vital Engine for Economic Development

Pennsylvania's dairy industry represents an important segment of the economy. Already making a significant impact, the industry is poised to make further economic development contributions in rural communities across the state. Very few realize that revenue from one dairy continuously circulates through the local area. For that reason alone, communities should welcome dairy farms.



"More than stewards of Pennsylvania's rich natural resources and producers of fresh, local milk, dairy farmers are investors in their communities who hire workers, buy supplies, pay taxes and raise families. With a nearly \$14,000 economic impact per dairy cow and every nine cows supporting one Pennsylvania job, dairy farms are an essential part of our agricultural landscape."

— Russell Redding, PA Secretary of Agriculture

Supporting Local Economies

Ranked fifth in the nation, Pennsylvania's dairy industry is growing, with milk production up 1.2 percent in 2014. Pennsylvania is now home to 16 percent of the nation's dairy farms and was the only state in the nation where the number of dairy farms increased in 2014. More than 99 percent of these farms are family-owned businesses.

While producing milk, they spend most of their money locally. About 85 percent of their income is used to support local businesses and the community tax base. In doing so, dairy farms create a ripple effect on both the agricultural industry and the economic well-being of the commonwealth.

When a dairy farm spends money locally, it creates a multiplier effect more than two times the original dollar. In other words, for every one dollar a dairy farm spends, roughly \$2.50 in wages and related business transactions is contributed to the local economy.

Pennsylvania's 7,370 dairy farms produced nearly 10.7 billion pounds of milk in 2014, generating nearly \$3 billion in on-farm income. Applying the multiplier effect, that income supported nearly \$7 billion in economic revenue for Pennsylvania and its local communities.



Herd Size	Cash Receipts	Economic Impact
100 cows	\$549,480	\$1,373,700
300 cows	\$1,648,400	\$4,121,100
500 cows	\$2,474,400	\$6,868,500

Providing Quality Jobs

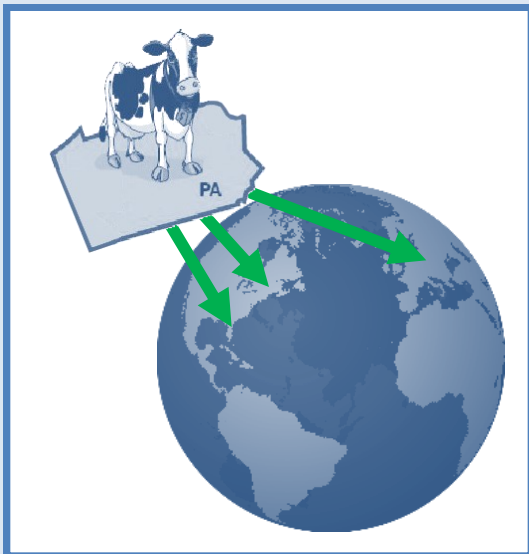
The dairy industry and related businesses provide quality jobs to Pennsylvania's citizens. A wide range of jobs are available in dairy-related support industries, such as sales and service professionals, veterinarians, nutritionists, agronomists, accountants, engineers and lenders.

Research shows that **every nine cows support one job** somewhere with the commonwealth. With 530,000 cows, that means that approximately 60,000 jobs in Pennsylvania are available as a result of this industry.

The dairy industry and related businesses provide quality, family-supporting, stable jobs for individuals in rural communities. According to the Pennsylvania Department of Labor and Industry, farm workers average between \$14.33 - \$25.07 per hour, with those in management positions averaging \$40.33 per hour.

Every one cow provides \$13,737 in economic revenue, for the commonwealth. Pennsylvania's economy needs this revenue and the jobs generated by the dairy industry.

Exporting Milk, Importing Dollars



Pennsylvania is located within approximately a day's drive from 50 percent of the U.S. population, 40 percent of the Canadian population, and the East Coast seaports.

In addition to supplying its own fluid milk needs, milk from the commonwealth is exported to other regions of the U.S. and the world to meet a growing global demand.

Revenue generated from exported Pennsylvania milk is returned to the farmer and circulated in the community. As a result, Pennsylvania's dairy farms provide stimulation to both local and state economies, providing a truly ideal model for sustainable economic development.

Pennsylvania milk is an export product. Milk produced on PA farms is sold along the East Coast. Revenue returns to Pennsylvania and is reinvested in local communities.

Pennsylvania's Dairy Facts

0 Fifth Largest Milk Producing State in U.S.	0 Largest Segment of PA's Agricultural Industry
0 Second Largest Number of Dairy Farms in U.S.	0 Represents 30% of Ag Revenue in Pennsylvania
0 Home to 7,370 Dairy Farms & 530,000 Cows	0 Provides Nearly \$7 Billion in Economic Revenue
0 Produces 10.7 Billion Pounds of Milk (or nearly 1.3 Billion Gallons) Annually	0 Supports Nearly 60,000 Jobs Across Commonwealth



Information sourced from the Pennsylvania Department of Labor and Industry, the USDA National Ag Statistics Service (NASS) and the University of Minnesota; Compiled by:

The Center for Dairy Excellence

2301 North Cameron St., Suite 407

Harrisburg, PA 17110

717-346-0849 • info@centerfordairyexcellence.org

www.centerfordairyexcellence.org