

# A Summary of the 2017 Pennsylvania Dairy Survey Results

Compiled by the Center for Dairy Excellence ©2018

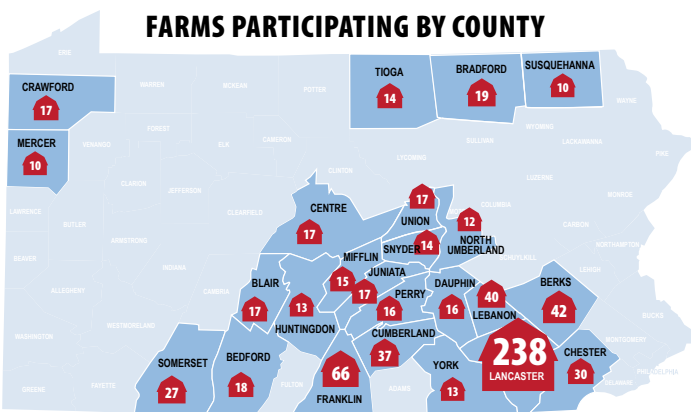


CENTER FOR **Dairy** EXCELLENCE

**In June of 2017**, the Center for Dairy Excellence sent a survey to Pennsylvania dairy farms. There were 991 responses representing 1,232 households with 880 of these farms milking cows when they completed the survey. This corresponds to around 14 percent of the 6,570 dairy farms in the Commonwealth. The participating farms represented about 9 percent of Pennsylvania's milk supply. The average dairy farm participating in the 2017 survey supported 1.25 households and derived 85 percent of its income from milk sales.

The average participating farm was milking 87.1 cows, selling 20,435 pounds of milk per cow per year, with a total herd of 100.8 cows and 83.4 heifers. The average primary operator was born in 1964, and 2.6 percent were women. Herds with between 30 and 100 cows comprised 69.4 percent of the farms, 26.3 percent had more than 100 cows, and 4.3 percent of the survey farms had less than 30 cows. The larger herds sold more milk per cow. Their operators were older and slightly more likely to be women.

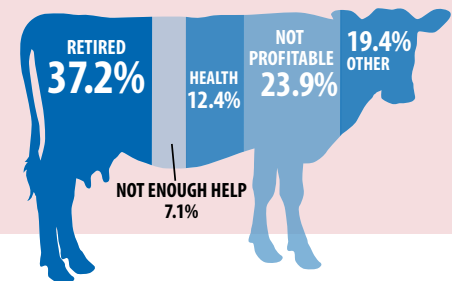
	2017 All Herds	Herds 30-100 cows	Herds > 100 cows
		<b>69.4% of all herds</b>	<b>26.3% of all herds</b>
Average # cows	100.7	57.6	234
Average # heifers	83.4	45.3	200.6
Average production	20,435	19,482	20,163
Average age	53	45	75
Female operators	2.6%	2.2%	3.1%



Thirty percent of the participating herds were housed in free stall facilities, 63 percent were managed in tie stall facilities, and 3 percent employed bedded pack housing.

The 112 farms responding to the 2017 survey that were no longer milking cows averaged 58.3 cows producing 12,000 pounds of milk per cow per year when they exited the dairy business.

## REASONS FOR SELLING COWS IN 2017

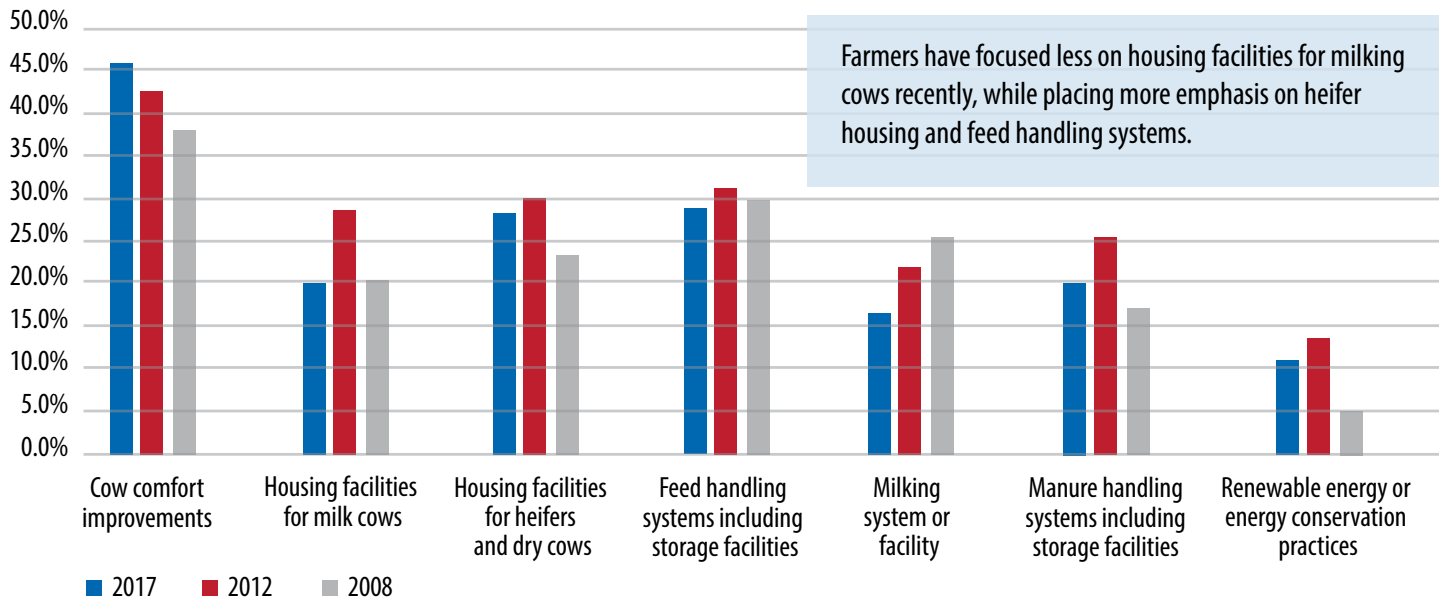


	2017	2012	2008
Operations <b>currently</b> producing milk for sale:	879	1087	1643
Operations <b>not currently</b> producing milk for sale:	112	84	61
<b>Total dairy cows</b> (including dry cows & first calf heifers):	<b>100.8</b>	<b>99.6</b>	<b>93.0</b>
How many of these total dairy cows are currently being milked (exclude dry cows):	87.1	89.2	80.5
How many <b>heifers</b> are currently on your operation, including heifer <b>calves</b> ?	83.4	89.2	71.1
<b>How much milk was produced on this operation yesterday</b> (one day's production, in pounds)?	<b>9,293</b>	<b>7,397</b>	<b>5,504</b>
Approximately how many pounds of milk were produced on this operation in 2016?	2,388,791	2,354,452	1,748,045
What was the typical Somatic Cell Count for your herd for the past year?	100,000–150,000	200,000–350,000	200,000–350,000
<b>Primary operator's year born:</b>	<b>1964.8</b>	<b>1964.8</b>	<b>1962.3</b>
Primary operator's gender (male or female)?	2.6% female	3.3% female	

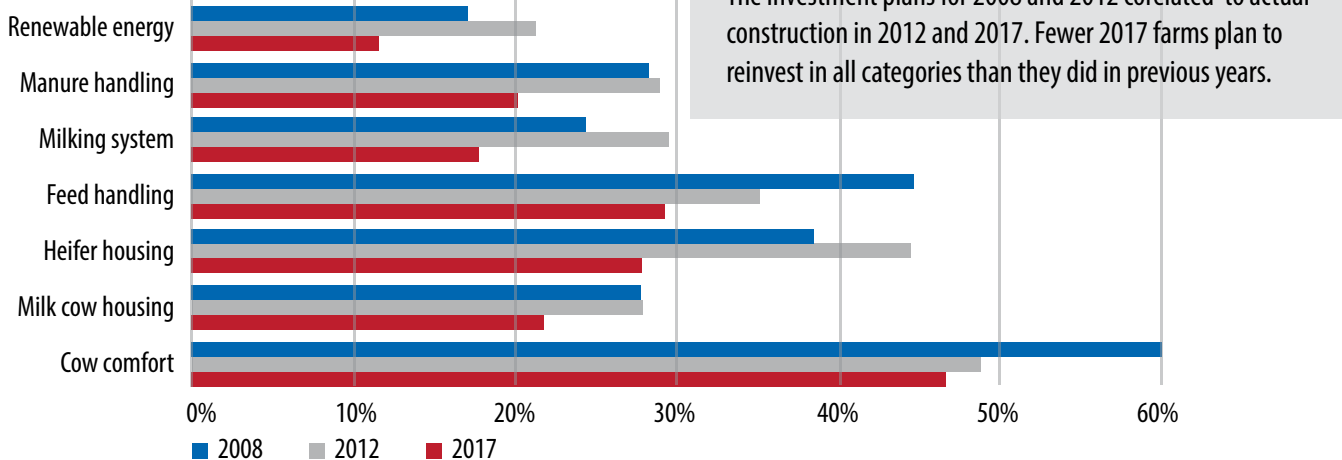
In 2008 and 2012 the Center circulated a similar inquiry to Pennsylvania dairy farms. This dataset provides some insight to attitude and practice changes on these farms over the past ten years. The average respondent in 2017 milked one more cow than in 2012 and eight more than in 2008. Milk production and the average operator age increased, while somatic cell counts continued to decrease, showing improvements in milk quality over the past ten years.

Investment in cow comfort has been an ongoing and increasing priority on Pennsylvania dairy farms. The charts below show how farms have invested in their operations over the past ten years. Actual investments were lower in all categories in 2017 than in 2012. In all three years, larger herds intend to invest more than smaller ones do.

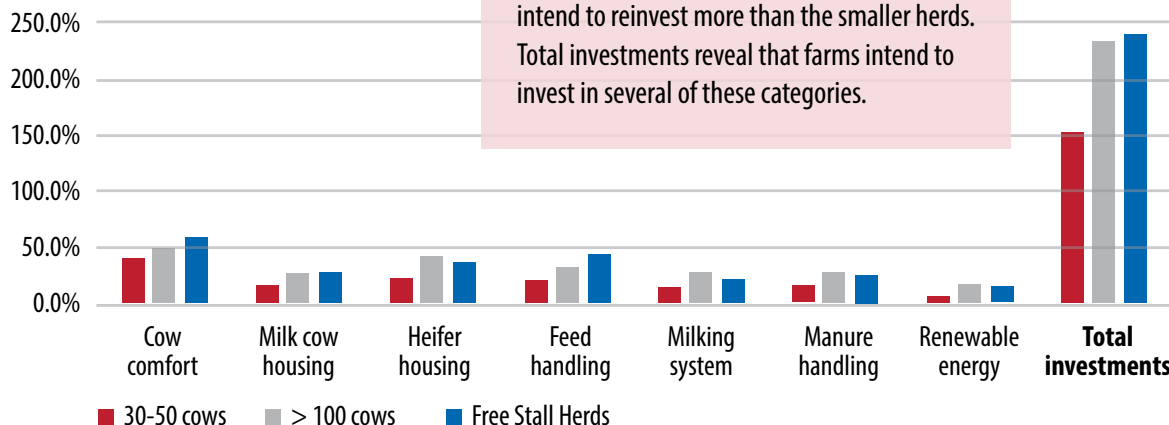
### WHAT FACILITY INVESTMENTS HAVE YOU MADE OVER THE PAST 5 YEARS?



### DO YOU PLAN TO INVEST IN:

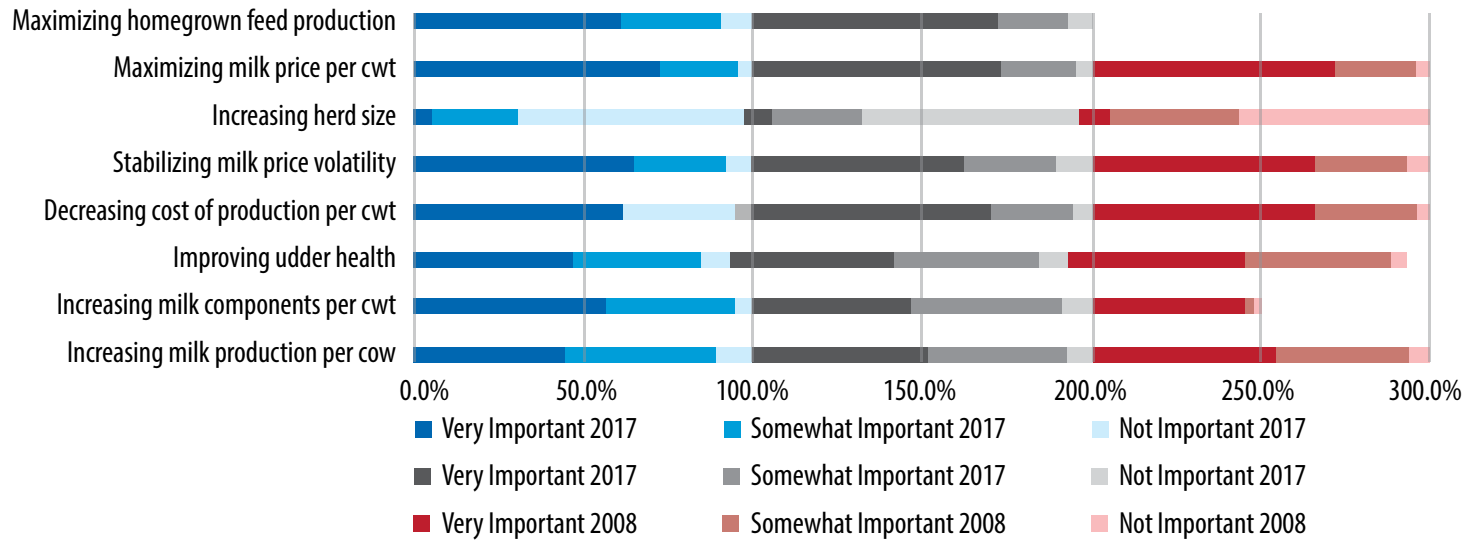


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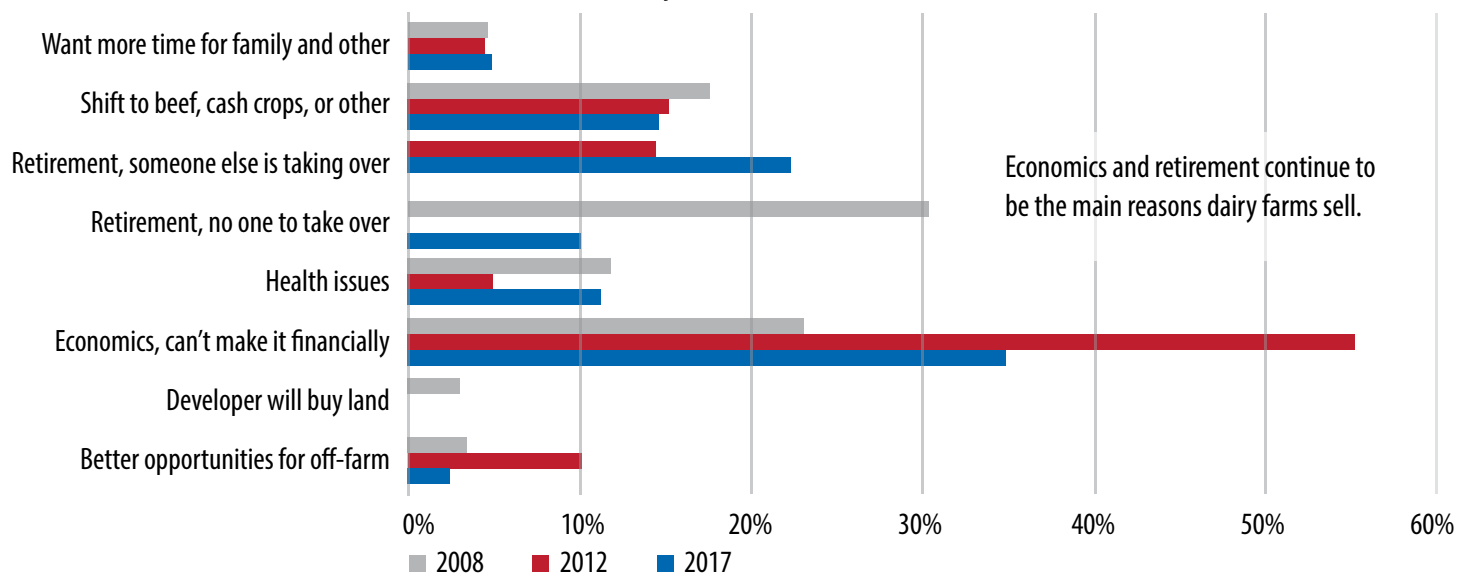
When comparing factors important to the dairy business over the past ten years, increasing milk production has become a lower priority for the participating farms, while increasing milk components per cow was a much higher priority for the group in 2017. "Improving udder health" was rated slightly lower in 2017 than it was in 2008. The percentage of farms rating "Decreasing the cost of production" as very important in 2017 decreased, while "Stabilizing milk price volatility" and "Maximizing milk price per hundredweight" were higher priorities to 2017 respondents. "Maximizing homegrown feeds" was a greater priority in the high feed cost environment of 2012, but less important in 2017. The importance of "Increasing herd size" was not a high priority in 2008, 2012 or 2017, continuing to decline with each survey.

### HOW IMPORTANT ARE THESE TO IMPROVING YOUR BUSINESS IN THE NEXT 3-5 YEARS?



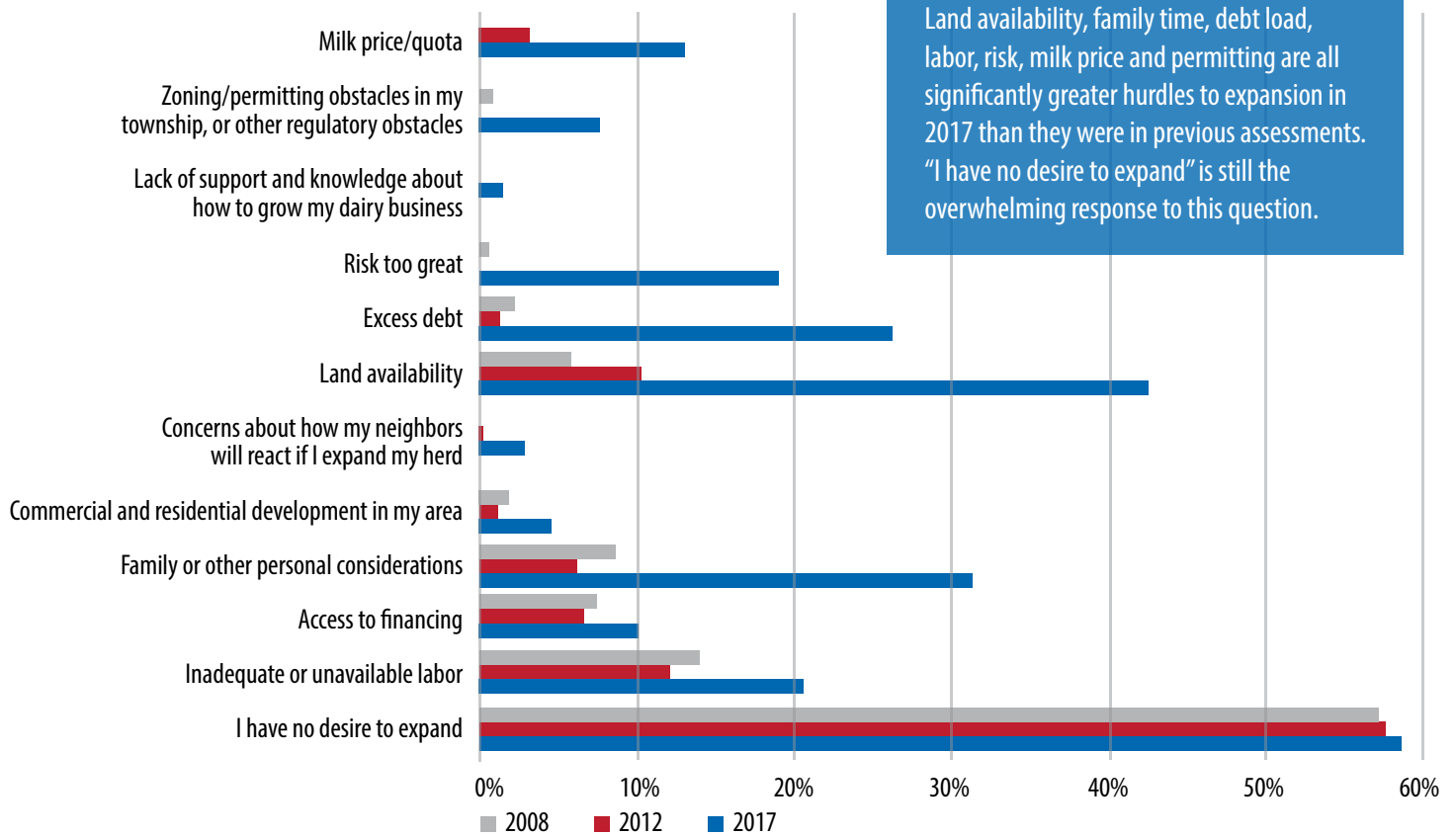
The survey asked respondents to share their plans and concerns related to their future in the dairy business. In 2017, about 86 percent of the farms expect to be milking cows in the next five years, while only 53 percent indicated they were confident in their ability to be profitable at their current herd size. The farms that indicated plans to exit within the five years listed various reasons for exiting. Thirty seven percent planned to exit because they were retiring, while 24 percent listed financial challenges as the reason for exiting. Just over 7 percent said they planned to exit because of issues in finding good help. Of those planning to retire, 82 percent expect a relative to continue the farm operation, up from both 2012 and 2008.

### IF YOU SELL YOUR HERD WITHIN THE NEXT 5 YEARS, WHAT IS THE MOST LIKELY REASON?



The survey asked respondents to identify factors limiting herd growth. Land availability, debt load, and risk exposure were much greater concerns to farms in 2017 than they were previously. Milk price, production base, and permitting obstacles were also identified as factors continuing to limit dairy herd growth. All of these factors contributed to the number one factor limiting expansion on the majority of PA dairy farms, which was identified as “No desire to expand.”

### WHAT ARE THE FACTORS LIMITING HERD GROWTH



The survey demonstrates the need for increased business planning on Pennsylvania’s dairy farms. Only 60 percent of the responding farms in 2017 indicated they worked with an accountant or financial consultant, roughly flat with 2008 and 2012 results. Just over 15 percent indicated they had a formal written business plan, while 13 percent said they had a transition plan in place. In addition, only 23 percent indicated they use crop insurance, while 14 percent said they used any risk management programs other than crop insurance. Finally, 75 percent said they completed and have a maintained manure management plan for their dairy farms.

	2017	2012	2008
Have you used financial consultants or accounting services?	59.3%	62.6%	56.4%
Have you been using a professional feed nutritionist on a regular basis?	87.3%	87.7%	86.5%
Implemented a systematic breeding program such as a timed A.I. program?	57.7%	60.2%	33.7%
Developed a written business plan for dairy operation?	15.8%	15.3%	11.7%
Developed a formalized succession or transition plan?	13.2%	12.9%	10.0%
Have you used Crop Insurance?	23.2%	31.5%	35.0%
Have you used Risk Management programs OTHER THAN Crop Insurance?	14.3%	10.6%	7.2%
Have you participated in Risk Management education?	14.6%	17.8%	22.0%
Have you completed or maintained a manure management plan for your farm?	74.6%	67.0%	



**CENTER FOR DairyEXCELLENCE**

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