

Dairy in Pennsylvania

A VITAL ELEMENT FOR ECONOMIC DEVELOPMENT

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

“Research estimates that the annual economic impact per cow is \$13,737. In addition, each \$1 million increase in PA milk sales creates 23 new jobs. This tells us that dairy farms are good for Pennsylvania's economy.”

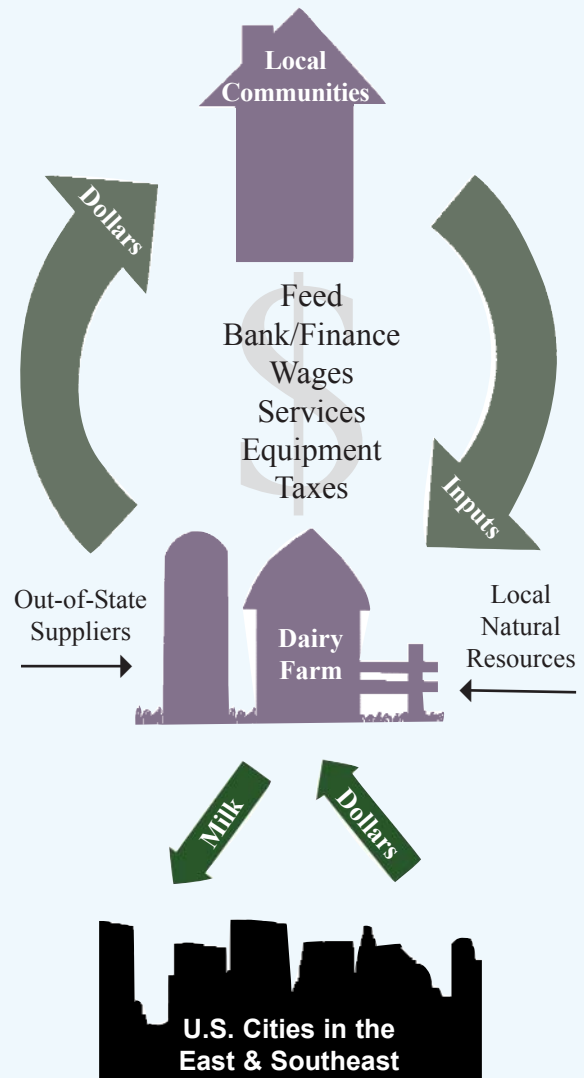
Dennis Wolff
Secretary of Agriculture

SUPPORTING LOCAL ECONOMIES

Pennsylvania is home to a mixture of large and small dairy farms. While producing milk, these farms spend most of their money locally -- thus supporting local businesses and the community tax base. In doing so, dairy farms support the local economy, creating 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 \$1 a dairy farm spends, roughly \$2.50 in wages and related business transactions is contributed to the local economy. It is estimated that dairy production and associated businesses contributed more than \$4.2 billion per year to Pennsylvania's economy from 1998 to 2002

An economic analysis on seven large dairy operations in Ohio found that dairies have a positive economic impact on their local communities and school districts in both the short- and long-term.



DAIRY'S IMPACT		
Herd Size (# Cows)	Cash Receipts (Estimated)	Impact on Local Economy
100	\$265,260	\$663,150
300	\$795,780	\$1,989,450
500	\$1,326,300	\$3,315,750

PA dairy farms produce milk locally and export it to cities. This generates money back to the community.

PROVIDING QUALITY JOBS

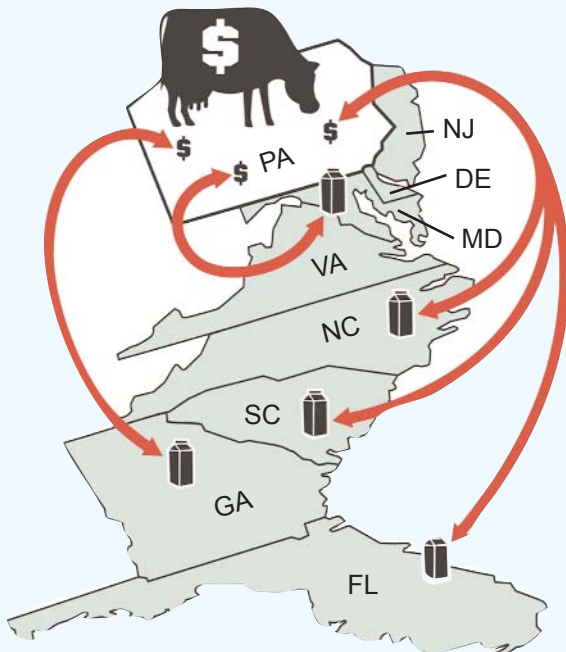
The dairy industry and related businesses provide quality jobs to Pennsylvania's citizens. A wide range of jobs are available in dairy-related support businesses, such as sales and service professionals, veterinarians, nutritionists, agronomists, accountants and lenders.

In fact, approximately 40,000 jobs in Pennsylvania are available as a result of this industry. The Department of Labor estimates that entry-level farm jobs pay an average wage of \$9.33 per hour -- a rate higher than jobs in the service and retail industries.

This wage is also competitive with positions in health care and light manufacturing. In addition, salaries for dairy management positions average \$29,000 annually, and can reach as high as \$44,000.

The dairy industry and related businesses provide quality, family-supporting, stable jobs (\$35,000 to \$70,000 salary-range) for individuals in rural communities. Pennsylvania's economy needs the jobs and revenue generated by the dairy industry.

EXPORTING MILK, IMPORTING DOLLARS



Graphics by ICT/Information and Communications Technologies of Agricultural Sciences, Penn State.

In the southeastern United States, populations are increasing while milk production is decreasing. This has provided an opportunity for Pennsylvania's dairy farmers to market their milk in this expanding market to fulfill demand. Farmers benefit from higher milk prices, and the Southeast benefits from a wholesome, nutritious product.

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

PA milk is an export product. Raw and processed milk is sold along the east coast. Revenue returns to PA and is reinvested in local communities.

PA DAIRY FACTS

- ◆ 4th largest dairy state in U.S.
- ◆ Largest segment of PA's agricultural industry
- ◆ Represents 40% of revenue in PA
- ◆ Home to 560,000 dairy cows and 9,000 dairy farms
- ◆ Produces 10.3 billion pounds of milk or 1.2 billion gallons annually
- ◆ \$4.2 billion local economic impact
- ◆ Supports 40,000 jobs
- ◆ 50% of U.S. population within a 24 hour-drive

Prepared by the Pennsylvania Dairy Task Force Economic Development Committee.

CENTER FOR
DairyEXCELLENCE

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