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NC STATE THINK AND DO
THE EXTRAORDINARY



2019 North Carolina Dairy Facts



North Carolina has **160** dairy farms

North Carolina is home to about **44,000** dairy cows

The total amount of milk produced in the state amounted to

109 million gallons

A typical North Carolina dairy farm has a herd of about

244 milking cows

Dairy cows produced an average of **8.1** gallons of milk per day

95% of all milk produced in 2018 was used and consumed in the form of fluid milk

Each dairy cow in North Carolina provides an average of

2,476 gallons of milk per year

The top five milk producing counties:

- 1. Iredell**
- 2. Randolph**
- 3. Gaston**
- 4. Lincoln**
- 5. Sampson**

North Carolina ranked

28th in milk production,
29th in number of milk cows,
25th in milk output per cow, and
24th in the number of licensed dairy operations during 2018 in the United States.

In 2018, a dairy cow in North Carolina cost about

\$1,330

The average value of a day's milk per cow was about

\$11.37



Dairy in NC

Micro Trends, 2019

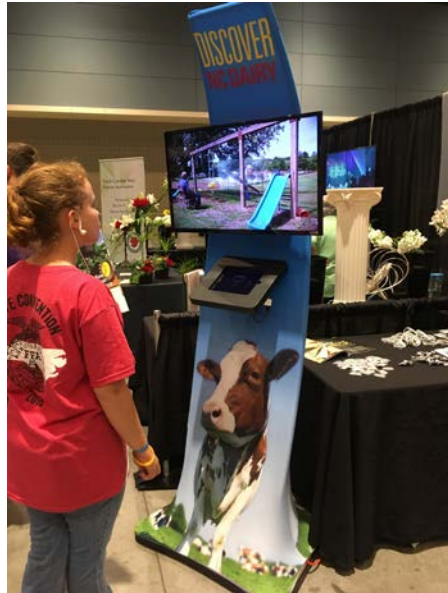
- > Farm numbers down from 2018 to 2019
 - > 175 to 148 Grade A Fluid Milk operations
- > Cash flows continue to be upside down on farms.
 - > Income Over Feed Costs (IOFC) remains low
 - > Cost of Production is higher than milk income in many cases
- > State herd numbers decreased
 - > 45K to 44K

Dairy in NC

Micro Trends, 2019

- > July 2019 Mailbox Prices for Appalachian Region averaged \$18.39/cwt (released on Oct 22)
 - > \$17.49 - 2019 Average Mailbox Price Year to Date
 - > Up \$2.11 from 2018 Average and \$1.35 from January

- > Dairy farmers in NC are paid based on the total weight of skim milk and butterfat they ship
 - > Average Class I Prices, 2019, YTD:
 - > Butterfat \$2.6169/lb
 - > Skim \$11.12/cwt
 - > 3.5% Butterfat : 96.5% Skim = 46% total income is from butterfat, which is only 3.5% of production in this example!



Discover NC Dairy

- > Consumer extension/education through virtual dairy farm tours
- > 3 Kiosks with 11 videos that cover all aspects of a modern, NC dairy farm
- > 25 County Centers and NCSU have sets of 360° *virtual reality* headsets with full, immersive dairy tour videos
- > Since May 2019, 158,730 people have been exposed to this project, and 12,951 have taken the VR tours!

Dairy News

Continued Trends...

- > Total demand for dairy is up, at an all time high per capita consumption of 646lbs (ME, Milk-Fat Basis)
 - > Thank you Cheese!
 - > Fluid continues to trend down, but still penetrates 93% of shopping carts
- > Exports down for last 12 months, from <19% to ~13% with uncertain trade conditions
 - > Domestic demand strong for butter, cheese, so excess has been absorbed, but we need those export markets stable

Welcome Changes...

- > The All Milk price currently up compared to last 4.5 years at \$18.90
- > Futures prices for Class III and IV (on which Class I (fluid) is derived) are up

Energy in the Southeast...

- > Federal Milk Marketing Order being reviewed for reform
 - > NC hosting Southeast Dairy Stakeholder Forum in Kannapolis

Dairy Exports

US and NC Impacts, 2018



BROUGHT TO YOU BY:



Export Impacts on NC

- > 13 dairy processing facilities
- > 301 NC jobs directly tied to dairy exports
- > \$23M in dairy exports
- > \$51M in economic impact to NC from dairy exports

Dairy Foods

NC Impacts, 2018

According to the International Dairy Foods Association, the total economic impact of dairy products produced and sold in NC in 2018 was...

\$10.6B

- > \$2.9B in wages
- > Direct economic impact of \$3.0B
- > \$642.2M federal tax revenues
- > \$397.3M state tax revenues

68,517

Direct & Indirect Jobs supported through suppliers and industry expenditures

ARE Dairy Extension Page:

<https://cals.ncsu.edu/are-extension/animal-agriculture/dairy/>

NCSU Dairy Extension Portal: <https://dairy.ces.ncsu.edu>





Thank you!