

New Mexico Dairy Industry Key Indicators (Sep. 2015)

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State of the dairy industry in New Mexico: an overview of 15 years (2000-2014) of economic data:

- New Mexico produces 4.0% of the US milk with 3.5% of the US cows (9.2 million).
- Extremely turbulent 15 years: 8 negative & 7 positive years. Worst 2 years ever: 2009 & 2012, best year ever 2014.
- **NEW:** production in 2015 trailing production levels of 2013 and 2014 - residual drought & forage quality effects?
- **SHOCKER:** New Mexico dairy farms have produced milk for the last 15 years at a net rate of return of -\$0.10/cwt.
- From 2000-07 avg. production costs were \$13.00/cwt: from 08-14 those avg. costs jumped to \$17.90/cwt.
- Total feed costs for hay, silage and grain increased 130% over the 15 years (drivers are ethanol, drought, etc.)
- Dairy is the number one Ag-sector employment generator in NM providing 12,524 direct jobs, generating the largest labor income revenue (salaries paid) in of all of agriculture (almost \$600M/year).
- Dairy and Beef production revenues are both virtually tied with \$1.51 and \$1.56 billion in revenue annually generated respectively.
- Dairy and Beef combined rival the revenue generated by Oil and Gas in New Mexico (\$3.3B vs. \$3.1B respectively).
- **Good paying jobs:** labor income for workers on New Mexico dairy farms was \$47,811; this wage is in line with the 2014 US annual mean wage at \$47,230 and is 13.2% higher than the average NM mean wage of \$42,230 for 2014.
- NM dairy numbers in 2015 are down 35 compared to the peak in 2003 (180 vs.145 today) – down 24%.
- NM number of dairy cows is down 40,000 from its peak in in August of 2006 (362K vs. 323K) – down 12%.
- **Efficiency:** milk production has continued to climb compared to 2006 despite lower cow numbers – up 18%.
- **Sustainability:** more milk with less cows, more output per unit of input – a story of efficiency and sustainability!
- **NEW:** New Mexico dairy cows are the first collectively to break the 25,000 lbs. per cow barrier in the US!
- NM remains the number 1 dairy producing State in production per cow.
- **NEW:** dairies in New Mexico are likely to break the 2,500-cows/dairy mark in 2015 (2,485 in 2014).
- NM remains the no.1 spot in dairy size in the US - average herd size in the US in 2014 broke the 200-cow level (204 cows/dairy).
- **NEW:** Curry County is the new no. 1 county: combined Curry, Chaves, Roosevelt and Dona Ana, produce 77% of the NM milk.

Dairy Economic Impact NM vs. US

	NM	US
Direct Economic Impact to the NM Economy	\$1.51 billion (2013)	\$40.5 billion (2013)
Portion of Gross Receipts	= 3.6% of NM Economy	= 0.13% of US economy
Dairy Receipts as a % of NM Total Farm Receipts	39.7% (2 nd - beef 40.9%) (2013)	
Total Employment Generation in NM	12,524 jobs (\$599 million paid in salaries)	282,831 jobs (9.9 billion paid in salaries)
Southwest Contribution to US (TX, NM & AZ)	12.5%	3 rd in the Southwest
Cheese Production	6.8%	4 th in US
Number of Dairy Farms	145 (Jul 2015)	Down 24% from 2003 (180)
Total Number of Milking Cows	323,000 head (Jul 2015)	Down 12% from Aug 2006 (362K)
Number of Cows per Dairy	2,485 (2014)	1 st in the US
Milk Produced	8.1 billion lbs (2014)	Up 20% from 2005/2006
Contribution to National Milk Production	4.0%	9 th in the US
Milk Productivity	25,093 lbs/cow	1 st in the US

Table 1. Importance of the NM Dairy Industry as compared to the US as a whole (Source: NMSU Dairy Ext. August 2015)

County	# Farms	Change from 2003	Milk Cows ¹	Milk (Mil. Lbs.) ²	%	Cash Receipts ¹
Curry	28	+8	63,000	159,877,785	24.4%	\$350M
Chaves	31	-9	83,000	145,106,923	22.2%	\$359M
Roosevelt	31	-13	60,000	125,522,246	19.1%	\$241M
Dona Ana	19	-11	52,000	76,760,183	11.7%	\$205M
Lea	13	-3	19,500	56,062,667	8.6%	\$148M
Socorro	8	-1	8,600	25,138,008	3.8%	\$52M
Luna	3	0	-	18,479,180	2.8%	-\$M ³
Valencia	5	-3	8,800	17,973,759	2.7%	-\$M ³
Eddy	3	-4	12,500	15,541,607	2.4%	\$54M
Other Counties Total	4	-5	12,600	15,166,785	2.3%	\$98M
New Mexico Total	145	-35	320,000	655,629,143	100%	\$1.51B

Table 2. Dairy farms, milking cows, and milk production Jul 2015 vs. March 2006 (NASS, Jul. 2015)

¹ NMDA 2013 - http://www.nass.usda.gov/Statistics_by_State/New_Mexico/Publications/Annual_Statistical_Bulletin/2013/2013_NM_Pub.pdf

² Million lbs. for Jul 2015 (Market Admin. Report SW Marketing Area) - http://www.dallasma.com/fd?file_map=admin&downfile=2015/AUG15BUL.pdf

³ Included in Other Counties Total: not published to prevent disclosure.