

New Mexico Dairy Industry Key Indicators (January 2023)

Robert Hagevoort Ph.D. Extension Dairy Specialist at the Ag Science Center at Clovis, 2346 SR 288, Clovis, NM 88101
Phone: (806) 786-3421 E-mail: dairydoc@nmsu.edu - <http://aces.nmsu.edu/ces/dairy/index.html>

State of the dairy industry in New Mexico – continuing its path as an environmental solution

- ✓ US Dairy is continuing to consolidate, NM no different. Dairy is no. 1 farm commodity in NM (52% of farm receipts)¹.
- ✓ Consolidation: fewer, larger, more efficient herds and fairly stable cow numbers. Reduces environmental footprint!
- ✓ Consolidation partly due to producers not passing on livelihood to next generation: cows are sold into another herd.
- ✓ Farms nationwide are getting larger (economies of scale), as margins are tighter, but efficiencies increase.
- ✓ Milk production in NM and TX combined is the 3rd largest milkshed in the nation behind CA and WI^{1,2,4}.
- ✓ New Mexico cows produce 3.2% of the U.S. milk, with 3.1% of the U.S. cows, and only 107 farms^{1,2}.
- ✓ Curry, Chaves and Roosevelt counties are all in the U.S. top 20 dairy producing counties⁴.
- ✓ Herd size in New Mexico is the largest in the country at 2,700 cows per dairy operation (US average = 316)⁴.
- ✓ Dairy production is cyclical: 2014 was one of the best years in dairy history, and so were the first 6 months of 2022.
- ✓ However, recent data show NM dairy farms produced milk from 2015-2022 at an average net income of -8 cts per lb.
- ✓ Extreme high feed & production costs may turn 2022 Q3-4, plus 2023 into a financial disaster for NM producers.
- ✓ Production per cow is 24,541⁴ per lactation or 80 lbs/day (no. 9 U.S.) with 3.90% BF, 3.24% Prot. and 195 SCC⁴.
- ✓ Almost 60% of NM milk is used for cheese production, 30% for fluid milk, and 10% for butter, ice-cream and yoghurt².
- ✓ New Mexico is home to the largest cheese plant in the U.S.: Southwest Cheese, Clovis, NM.
- ✓ New Mexico is the 4th leading state in cheese production, producing 7.4% of the U.S. cheese⁵.
- ✓ New Mexico's dairy cows are housed in so called "open lots", with lots of space, open air, shades and wind brakes.
- ✓ New Mexico's favorable climate allows dairy cows to produce lots of very high-quality milk, very efficiently.
- ✓ **Efficiency:** cows doing more with less, a great story of sustainability - milk per cow up 25% in 25 years.
- ✓ **Sustainability:** stable herd size + more production/cow = lower GHG footprint/unit milk = Environmental Solution.
- ✓ **Carbon Neutral:** New Mexico dairy producers are continually improving practices to meet future environmental goals!

The Economic Impact of Dairy Products	NM	U.S.
Total economic impact of dairy produced and sold ⁶	2.2B direct, \$4.2B indirect	\$231B direct, \$522B indirect
Contribution to GDP	= 6.7% of NM GDP (\$95.3B)	= 3.5% of U.S. GDP
Dairy Receipts – sales of dairy products ³	\$1.3 billion	
Total direct jobs generated in dairy industry ⁶	6,909 direct jobs	1.0 million direct jobs
Wages earned as result of dairy (direct) ⁶	\$1.3B paid in direct wages	\$183B paid in direct wages
Indirect jobs supported by dairy industry ⁶	17,728 indirect jobs	2.3 million indirect jobs
Cheese production ⁵	7.4% of US cheese	4 th in U.S.
Number of dairy farms ²	107 farms (2022)	Down 43% from 2004 (181 farms)
Total number of milking cows ¹	288,250 (2022)	Down 18% from 2006 (348,000)
Number of cows per dairy ⁴	2,694 (2022)	1 st in the U.S.
Milk produced ²	7,077 M lbs (2022)	218,382 M lbs (2019)
Contribution to national milk production ¹	3.2%	9 th in the U.S.
Milk productivity ⁴	24,541 lbs/cow/lact. (305d)	9 th in the U.S.

County	# Farms ² Jan 2023	Change peak ² Jul 2004	Milk Cows ¹ 2022	Milk (lbs) ² Dec 2022	% calculated	Cash Receipts calculated
Curry	22	23	81,519	160,545,452	28.3%	\$ 367.9M
Roosevelt	30	43	64,527	127,081,385	22.4%	\$ 291.2M
Chaves	21	42	63,657	125,368,271	22.1%	\$ 287.3M
Lea	10	15	34,011	66,982,190	11.8%	\$ 142.5M
Dona Ana	8	24	20,158	39,700,618	7.0%	\$ 91.0M
Socorro	4	7	7,342	14,460,170	2.5%	\$ 32.5M
Luna	3	3	6,860	13,512,200	2.4%	\$ 31.2M
Valencia	3	9	4,512	8,885,888	1.6%	\$ 20.8M
Other Counties Total	2	15	5,664	11,164,640	2.0%	\$ 26.0M
New Mexico Total	103	181 (-43%)	288,250	567,700,814	100%	\$ 1,300M

¹ USDA NASS, Jan 2023: <https://downloads.usda.library.cornell.edu/usda-esmis/files/h989r321c/zg64v764d/qr46m50d/mkpr0720.pdf>

² Southwest Marketing Area (FO 126), Jan 2023: https://www.dallasma.com/order_stats/admin_reports.jsp

³ NMMA 2019 Ag Statistics, Jan 2023: https://www.dallasma.com/fd?file_map=admin&downfile=2023/JAN23BUL.pdf

⁴ Progressive Dairyman: <https://www.progressivepublish.com/downloads/2022/general/2021-pd-stats-lowres.pdf>

⁵ Leading States in Cheese production in 2021: <https://www.statista.com/statistics/195764/top-10-us-states-for-cheese-production-2008/>

⁶ IDFA, 2021: <https://www.idfa.org/news/u-s-dairy-industrys-economic-impact-totals-753-billion>