



WISCONSIN AGRICULTURAL STATISTICS SERVICE

P.O. Box 8934 Madison, WI 53708-8934

In cooperation with WI Department of Agriculture, Trade and Consumer Protection



2002 Dairy Producer Opinion Survey

November 2002

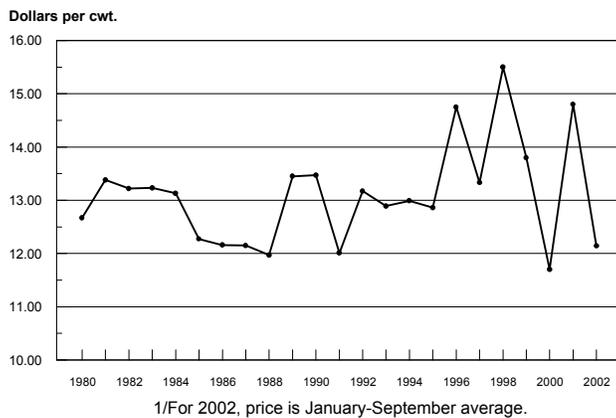
Wisconsin Milk Production To Recover

Milk production is expected to increase in Wisconsin during the next five years according to a survey conducted by the Wisconsin Agricultural Statistics Service. This statewide survey of producers asked for their plans with the assumption that milk prices for the next five years will be at the same level as the past five years. The survey was conducted during May and June 2002.

Based on the survey, 60 percent of producers expect to keep the same herd size, 20 percent plan to increase herd size, and 20 percent intend to discontinue milking by 2007. Actual results will depend on future milk prices, input prices, financing availability, crop yields, and other factors.

The number of herds projected for 2007 shows that the diversity of small to large herds will continue. The most prevalent herd size will remain at 50 to 99 cows.

All Milk Price, Wisconsin
Annual Average, 1980 - 2002 1/



Wisconsin Dairy Herds by Herd Size

Milk cow herd size	May 2002 herds	May 2007 herds (projected) 1/	Change 2007/2002
	Number	Percent	
1 - 29	2,600	1,440	-45
30 - 49	4,700	3,440	-27
50 - 99	7,400	5,600	-24
100 - 199	1,900	2,080	+9
200 - 499	700	900	+29
500+	200	440	+120
Total	17,500	13,900	-20

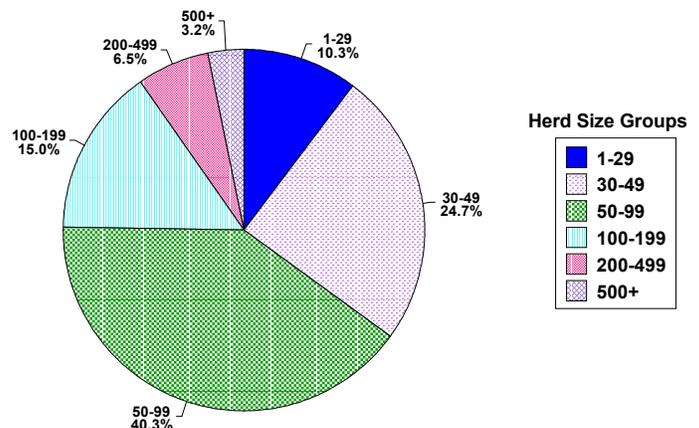
1/The May 2007 projection is based on farmers' opinions May-June 2002, with the assumption that milk prices for the next five years will be at the same level as the past five years.

Wisconsin Dairy Farmer Plans for May 2007 1/ by Herd Size

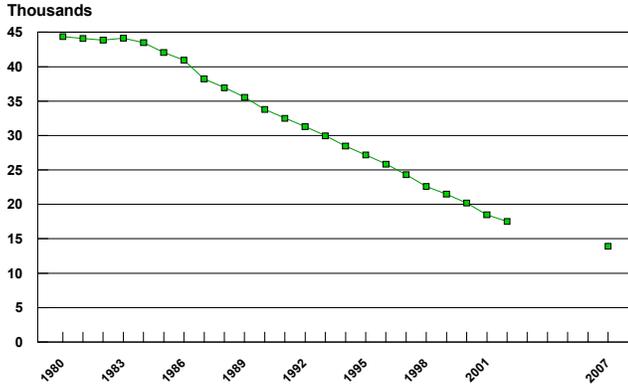
Milk cow herd size	Herds	Keep same herd size	Increase herd size	Discontinue milking
		Number	Percent	
1 - 29	2,600	47	17	36
30 - 49	4,700	71	9	20
50 - 99	7,400	63	19	18
100 - 199	1,900	53	37	10
200 - 499	700	33	59	8
500+	200	22	78	0
Total	17,500	60	20	20

1/The May 2007 projection is based on farmers' opinions May-June 2002, with the assumption that milk prices for the next five years will be at the same level as the past five years.

Percent of Herds by Size Group 2007 Projection



Dairy Herds Licensed in Wisconsin Spring 1980 - 2002, and 2007 Projection



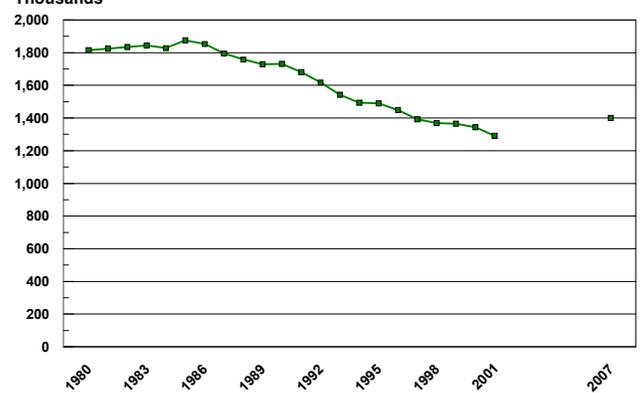
The state's dairy industry contributes about \$18 billion of the \$40 billion that agriculture brings to Wisconsin's economy every year. Maintaining the dairy infrastructure is a concern for many producers. Milk production has been on a slight decline during the last thirteen years, as reductions in the number of dairy herds more than offset increases in milk per cow and herd expansions.

Milk production in 2007 could top 26 billion pounds if producers' plans for keeping or expanding their herds are realized, and the trend of rising milk per cow continues. Last year, Wisconsin's dairy farms produced 13 percent of the nation's milk, while in 1988, their share of the market was 17 percent.

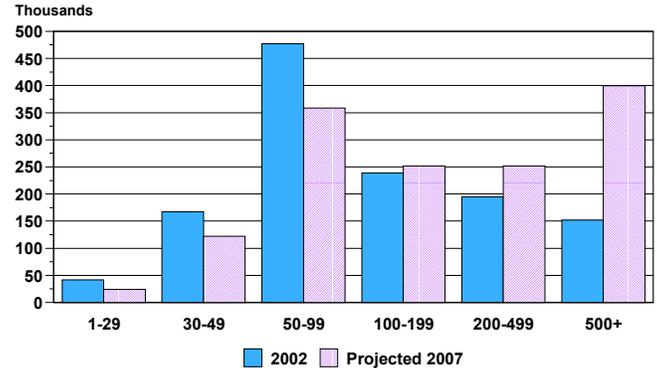
Survey results indicate that the number of milk cows is expected to increase to 1.40 million. This would be the highest level since early 1997.

Number of Cows in Wisconsin

Annual Average, 1980 - 2001, and 2007 Projection

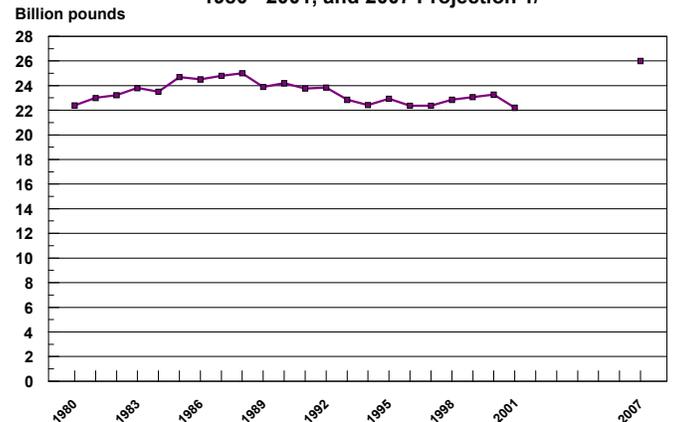


Number of Milk Cows by Herd Size, Wisconsin



Milk Production in Wisconsin

1980 - 2001, and 2007 Projection 1/



Wisconsin Dairy Herds, 2002 & 2007

Year	Herds	Milk cows	Milk cows per herd
	Number		Average
May 2002	17,500	1,272,000	73
May 2007 (projected) 1/	13,900	1,400,000	101

1/The May 2007 projection is based on farmers' opinions May-June 2002, with the assumption that milk prices for the next five years will be at the same level as the past five years.

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Dairy Farmers Age, Partners, and Households

Including partners, 49 percent of dairy farmers are between 40 and 60 years old, and 37 percent are under 40.

The number of households per dairy farm averaged 1.4; this includes partners, but excludes hired workers. Farms with the largest herds averaged 2.9 households per farm.

Wisconsin Dairy Farm Operator Age May 2002, Average and by Age Group

Milk cow herd size	Age	Under 40	40 - 60	Over 60
	Average	Percent		
1 - 29	53	18	48	34
30 - 49	48	22	66	12
50 - 99	47	26	61	13
100 - 199	48	16	71	13
200 - 499	48	20	67	13
500 +	47	22	68	10
Overall	48	22	64	14

Wisconsin Dairy Farm Operator and Partners May 2002, by Age Group

Milk cow herd size	Under 40	40 - 60	Over 60
	Percent		
1 - 29	29	42	29
30 - 49	28	55	17
50 - 99	37	49	14
100 - 199	36	52	12
200 - 499	43	46	11
500 +	40	49	11
Overall	37	49	14

Wisconsin Partners and Households per Dairy Farm May 2002

Milk cow herd size	Partners (including operator)	Households 1/
	Average number	
1 - 29	2.0	1.2
30 - 49	1.9	1.2
50 - 99	2.2	1.4
100 - 199	2.5	1.7
200 - 499	2.9	2.2
500 +	3.9	2.9
Overall	2.2	1.4

1/Households that share in the loss/profit of the operation (excludes hired workers).

Facility Improvements in Five Years by Herd Size, Wisconsin, May 2002

Milk cow herd size	Cow housing	Feed or storage	Milking system	Manure handling	None
	Percent				
1 - 29	6	12	6	8	77
30 - 49	16	18	12	11	63
50 - 99	33	31	23	22	45
100 - 199	38	38	21	32	41
200 - 499	57	53	29	55	24
500+	73	64	40	64	17
Overall	22	24	15	18	58

Farmers who expect to make any of the facility improvements listed above, checked a category for the amount they will spend over the next five years. Expected expenditures vary by herd size. Over half of herds making facility improvements in the 30-49 and the 50-99 groups expect to spend \$10,000 or more. A majority of the two largest size groups expect to make improvements costing \$100,000 or more.

Money Investments to Facilities Over Next Five Years, Wisconsin, May 2002 1/

Milk cow herd size	Less than \$10,000	\$10,000 - \$99,999	\$100,000 or more
	Percent		
1 - 29	76	24	0
30 - 49	47	48	5
50 - 99	29	58	13
100 - 199	15	48	37
200 - 499	6	29	65
500+	0	10	90
Overall	34	49	17

1/Includes only those farmers that had intentions to improve facilities.

My Dairy Operation is Assisted with Non-farm Income for Family Expenses and Health Insurance Wisconsin, May 2002

Milk cow herd size	Agree	Neutral	Disagree
	Percent		
1 - 29	61	21	18
30 - 49	57	9	34
50 - 99	46	7	47
100 - 199	44	10	46
200 - 499	32	5	63
500+	17	9	74
Overall	50	10	40

**My Dairy Operation Will Still be in Business
in Ten Years, Wisconsin, May 2002**

Milk cow herd size	Agree	Neutral	Disagree
	Percent		
1 - 29	22	33	45
30 - 49	33	37	30
50 - 99	41	32	27
100 - 199	55	28	17
200 - 499	70	24	6
500+	88	11	1
Overall	39	33	28

**I Am Having a Hard Time Making an Acceptable
Profit on my Dairy Operation, Wisconsin, May 2002**

Milk cow herd size	Agree	Neutral	Disagree
	Percent		
1 - 29	73	16	11
30 - 49	74	17	9
50 - 99	67	20	13
100 - 199	58	26	16
200 - 499	47	25	28
500+	33	44	23
Overall	68	20	12

**Farmers' Responses on Topics
Wisconsin, May 2002**

Topics	Agree	Neutral	Disagree
	Percent		
More financing opportunities are needed in my county.	29	47	24
There are zoning obstacles in my township.	27	41	32
I have good choices to market my milk.	49	31	20
Good hired labor is hard to find in my area of the state.	67	26	7
Commercial and residential developers are buying up farmland in my area.	56	20	24
I would take advantage of investment tax credits.	71	23	6
Taxes in Wisconsin make farming difficult.	62	31	7

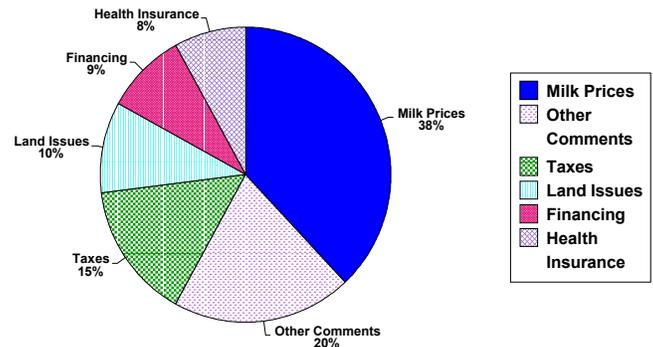
Dairy Farmer Comments

The last item on the questionnaire asked respondents to comment on what the Wisconsin state government could do to help them remain in the dairy business. About 650 comments were received on a variety of topics. Milk price comments were the most frequent type. Suggestions were: setting a price floor, implementing a quota system, and reducing imports of dairy products and dairy ingredients.

Most comments about taxes advocated: keeping use-value assessments, keeping sales tax exemptions, and expanding tax incentives. Land issues included: concern about urban sprawl, creating consistent statewide agricultural zoning, and standardizing manure and environmental regulations across the state.

More financing is needed for dairy farms and to expand cost-sharing assistance for manure facilities and environmental practices. Increasing the availability and affordability of health insurance was also frequently mentioned. Other comments, which were not grouped into one of the above categories, include: keeping the dairy infrastructure in Wisconsin, keeping the "right to farm," resolving stray voltage problems, and creating worker or labor programs.

**Dairy Farmer Comments
Wisconsin, May 2002**



Survey Methodology

Each operation was assigned to a strata based on the number of milk cows in the herd. A random sample was selected from each strata. The Dairy Opinion survey was mailed in May 2002 to 3,000 dairy farmers, statewide. The four-page questionnaire asked farmers about their plans for the next five years. About 1,000 surveys were returned in May and June. Final results were expanded by strata to account for all dairy herds in the state.