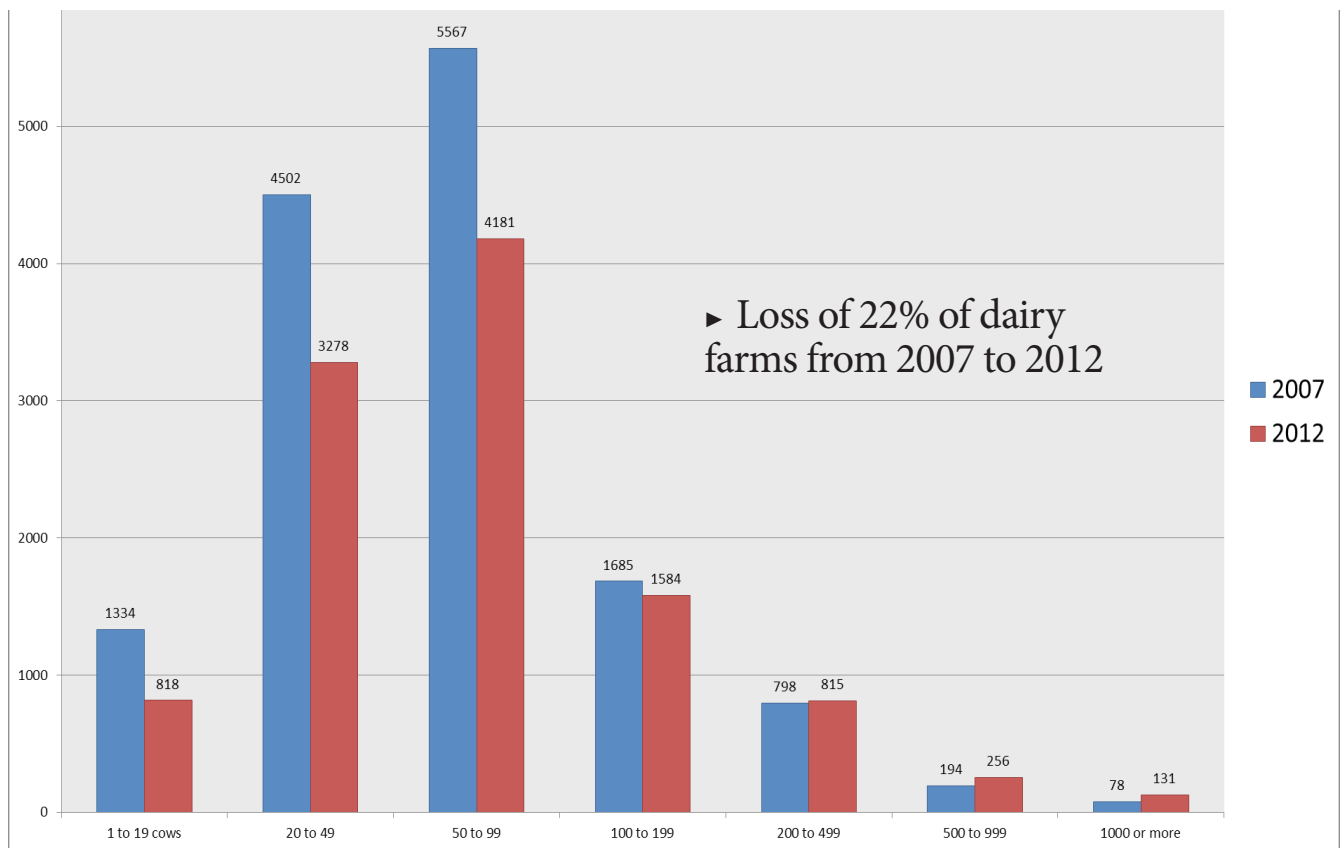


# More Farms on the Land, Not Fewer

- Wisconsin Farmers Union believes in more farmers on the land, not fewer. Unfortunately, here in the Dairy State the mid-scale dairy farm is rapidly disappearing, and the only way to survive is to get big or get out.
  - ▶ Our vision for the dairy industry focuses on more farmers earning a decent price rather than more milk at a lower price.
- In 2015, the number of dairy farms in Wisconsin dropped below 10,000 for the first time since the mid to late 1800s.
  - ▶ As recently as 1997, there were 22,500 dairy farms in Wisconsin.



(Source: USDA Census of Agriculture, NASS)

- The number of 1000+ dairy cow operations in Wisconsin has increased in the past decade, while the number of cows in Wisconsin has remained relatively stable since 2005 even as milk production climbs.

▶ What this means is that there are ***fewer dairy farmers on the land.***



# Where do we go from here?

## Problems Facing Farmers

- The most important problems facing dairy farmers are the low prices they receive for their milk, high land prices, and the rise in input costs such as seed and fertilizer which have outpaced farm commodity prices. Farmers are not going out of business because of regulatory overreach or an image problem with consumers, although those issues must certainly be addressed.

- ▶ The result is that the only farms that will be left are those that can leverage government subsidies, volume premiums, and preferential access to credit to get by on prices that would drive any other farm into the ground.

- Wisconsin Farmers Union believes that concentration in agriculture and in the dairy industry is bad for family farmers because mid-scale dairy farms cannot make a living in our current dairy market structure.

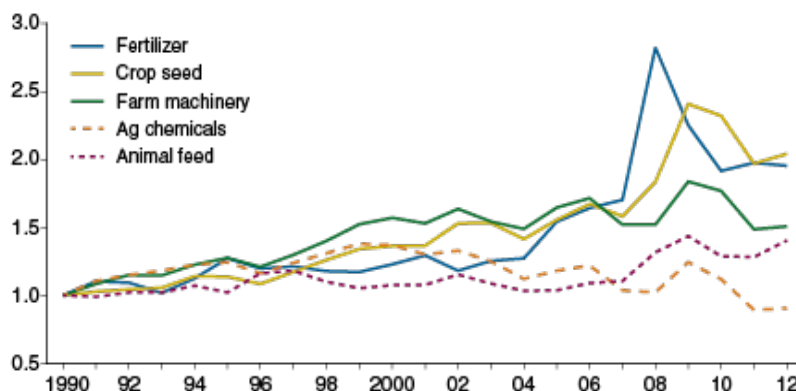
- ▶ A recent analysis of Wisconsin's dairy industry showed that from 2009 to 2014 Wisconsin dairy farmers made 3 cents per gallon over their cost of production. For a 100-cow dairy, that amounts to about \$28 per day in profit. This is the money the farmer would use to buy a family car, send a child to college, or get the house re-roofed.

- ▶ Of particular concern are out-of-state investors buying up land and controlling farm operations. In many cases, this drives up land and land rental prices, keeping purchases and rentals out of reach of many farmers. Additionally, economic benefits from out-of-state investors go to interests outside the community.

- ▶ These systemic problems have caused farmers to very understandably scale up their operations in order to make a living. In order to ensure the survival of the mid-scale family farm, **Wisconsin Farmers Union calls on all farmers to stand together to address the inequities inherent in the current dairy market structure and prices that do not cover the cost of production.**

### Agricultural input prices have risen faster than farm commodity prices in the U.S.

Index of agricultural input relative to output prices



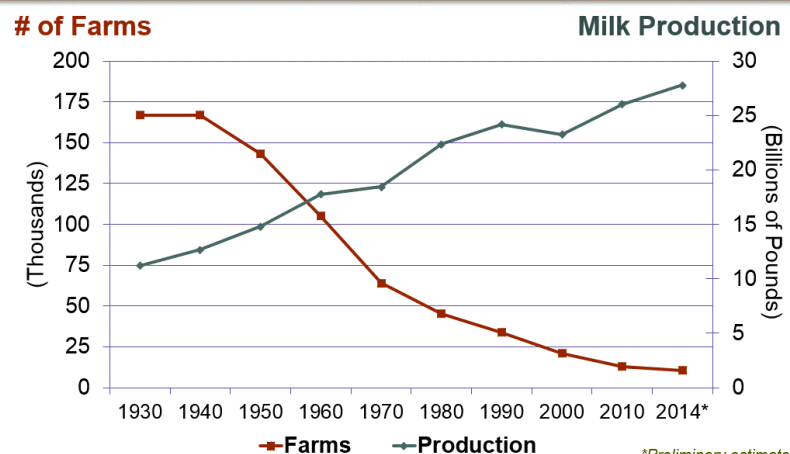
Prices paid by U.S. farmers for farm inputs divided by prices received for farm commodities (indexes, 1990=1.00).

Source: USDA, Economic Research Service.

## Wisconsin Milk Production Trends



### Dairy Farms & Milk Production, 1930-2014\*



\*Preliminary estimate

Source: USDA/NASS, Milk Production

- The long-term future of Wisconsin agriculture should be actively structured to support more farms not fewer farms, and farms that do not pose unnecessary economic and environmental risks to their communities.

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