

**Economic Impact  
of the California Dairy Business**  
Prepared for  
**California Milk Advisory Board**

**The Wow of the Cow**

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02 Dec 2009**

# Economic Impact of Dairy

- Milk producers and dairy processors generate billions of dollars of economic activity and create thousands of jobs
  - Producing milk
    - Jobs and inputs to build and operate milk production facility
  - Moving the milk to plants
  - Processing the milk into consumable products
  - Moving the dairy products to market
    - Warehousing, distribution
    - Other food manufacturers
    - Exports
      - Out-of-state
      - International
  - Delivering products to consumers
    - Retail
    - Foodservice

# Economic Impact of Dairy

- Milk Production
  - Value of milk
  - Jobs created at the dairy
  - ***Economic Impact***
  - ***Household Earnings***
  - ***Jobs Created*** beyond the farm gate
- Milk Processing
  - Value of products produced
  - Jobs created in the plant
  - ***Economic Impact***
  - ***Household Earnings***
  - ***Jobs Created*** beyond the plant

# Economic Impact of Dairy

- Putting the *Economic Impact* in perspective
  - Examine dairy business growth
    - Review growth
      - Benchmarks: 1998 thru 2008
      - Gains since the previous analyses: 2004, 2007, 2008
  - Detail how this *Economic Impact* moves through communities
  - Supports the total economy of the State of California and beyond

# Basis of the Analysis

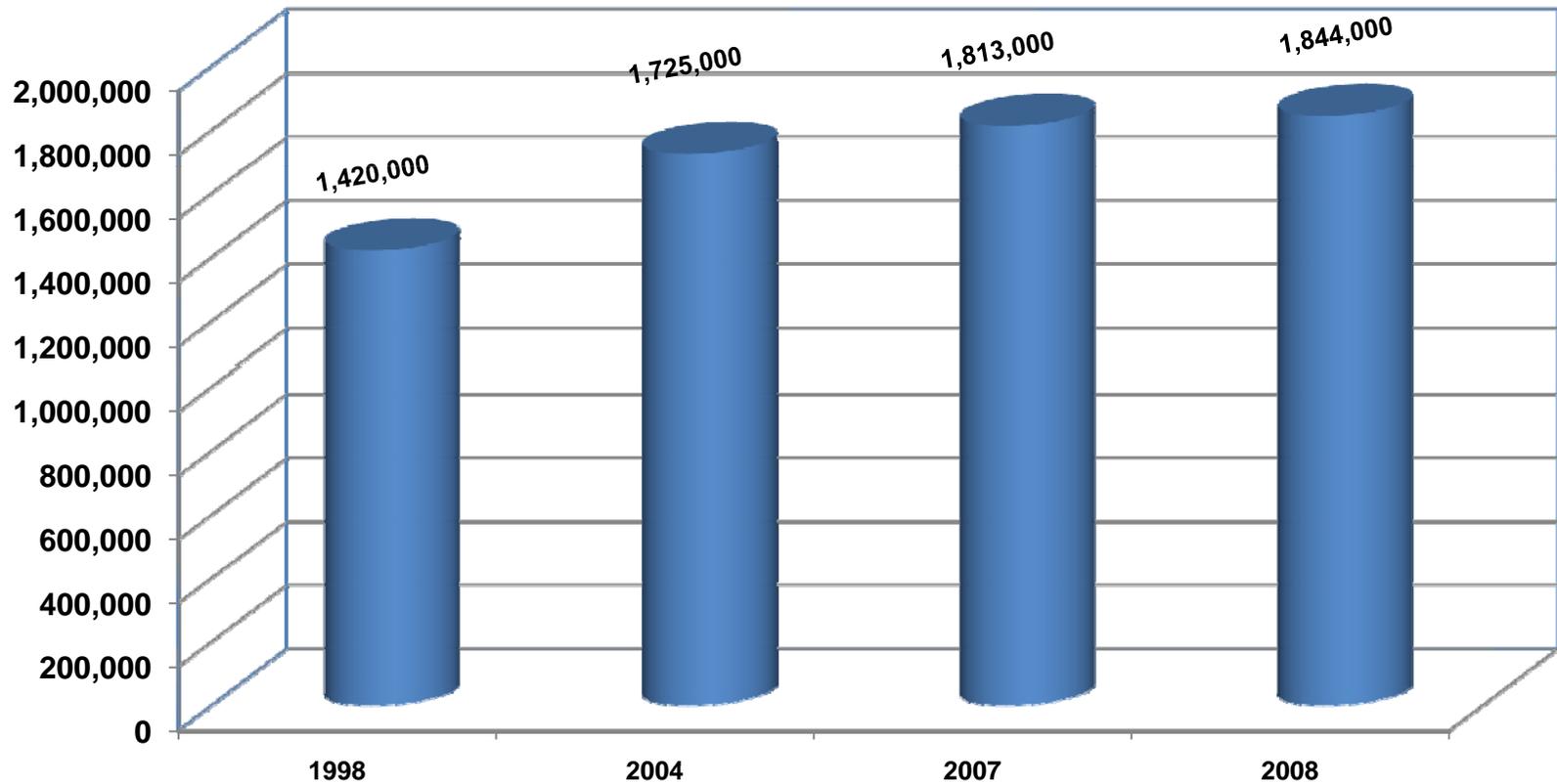
- How much was produced?
- How many employees were needed?
- What was the value of the finished products?
- Data sources include:
  - California Department of Food & Agriculture
  - California Employment Development Department
  - US Department of Agriculture
  - US Bureau of Economic Analysis
  - US Census Bureau
    - Census of Manufacturers
    - Economic Census

# The Wow of the Cow

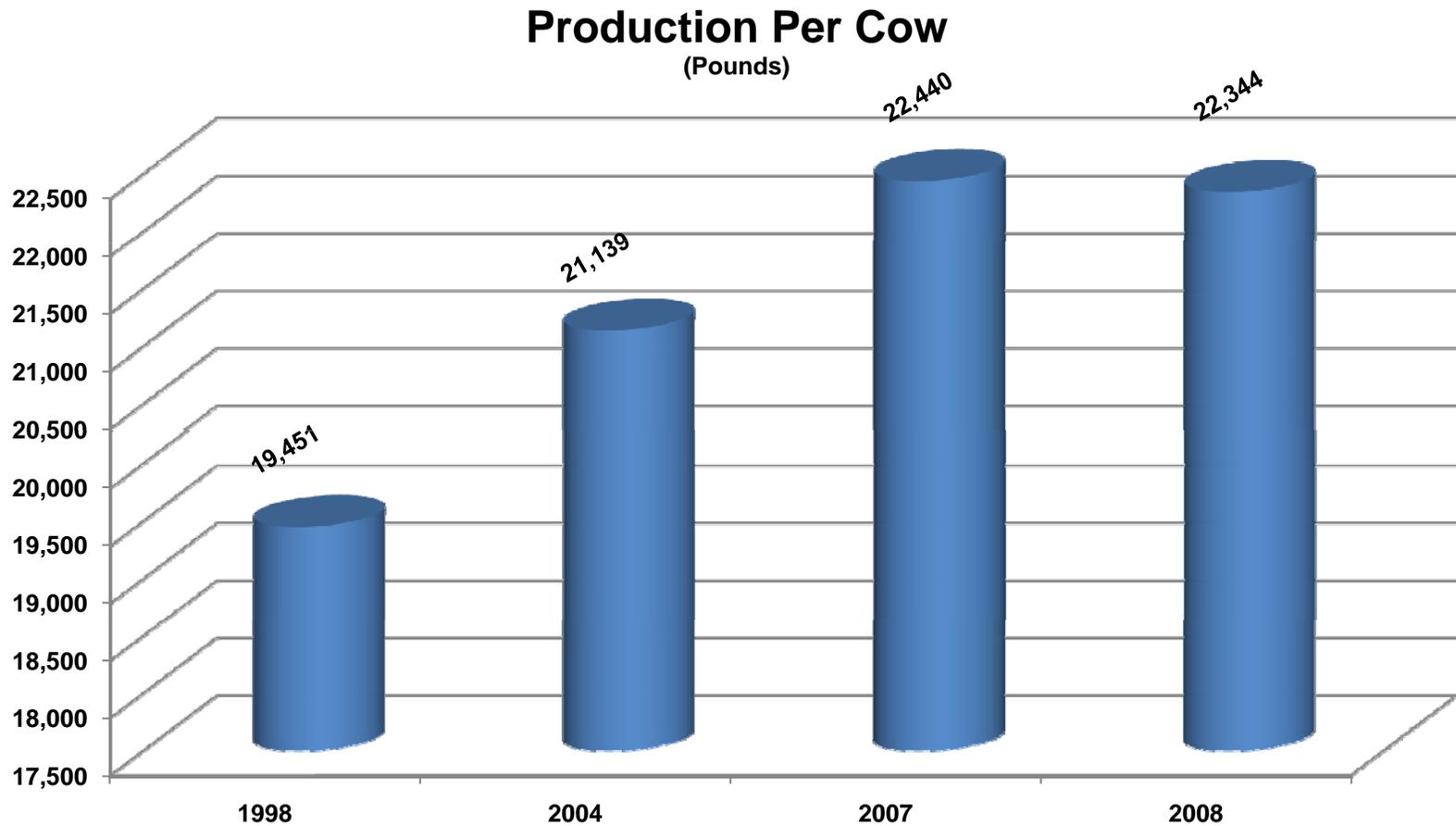
- Milk production trend lines
  - Milk cow numbers
  - Production per cow
  - Total production
  - Production per dairy
  - Other milk production detail

# The Wow of the Cow

Milk Cows in Herd

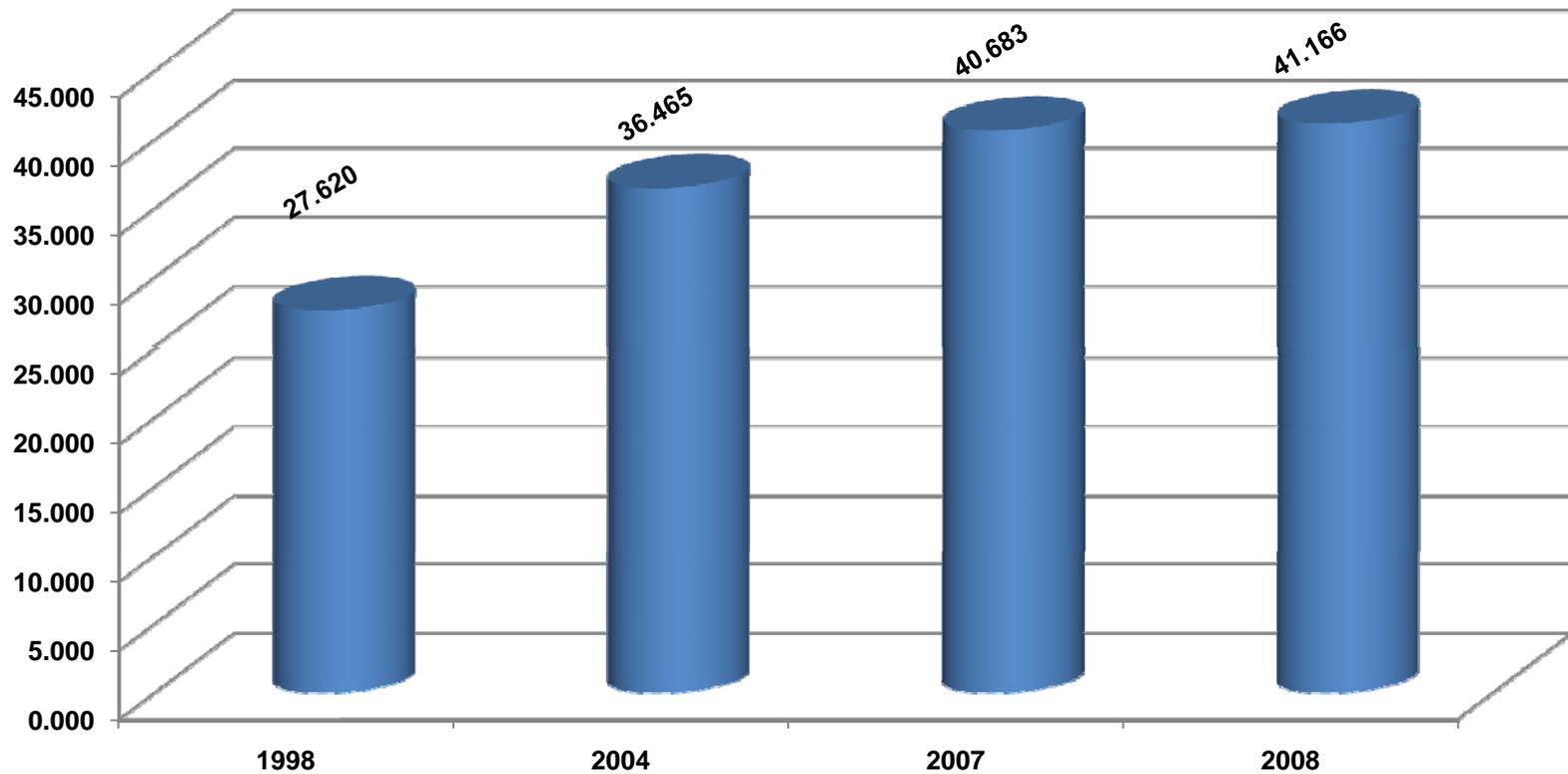


# The Wow of the Cow

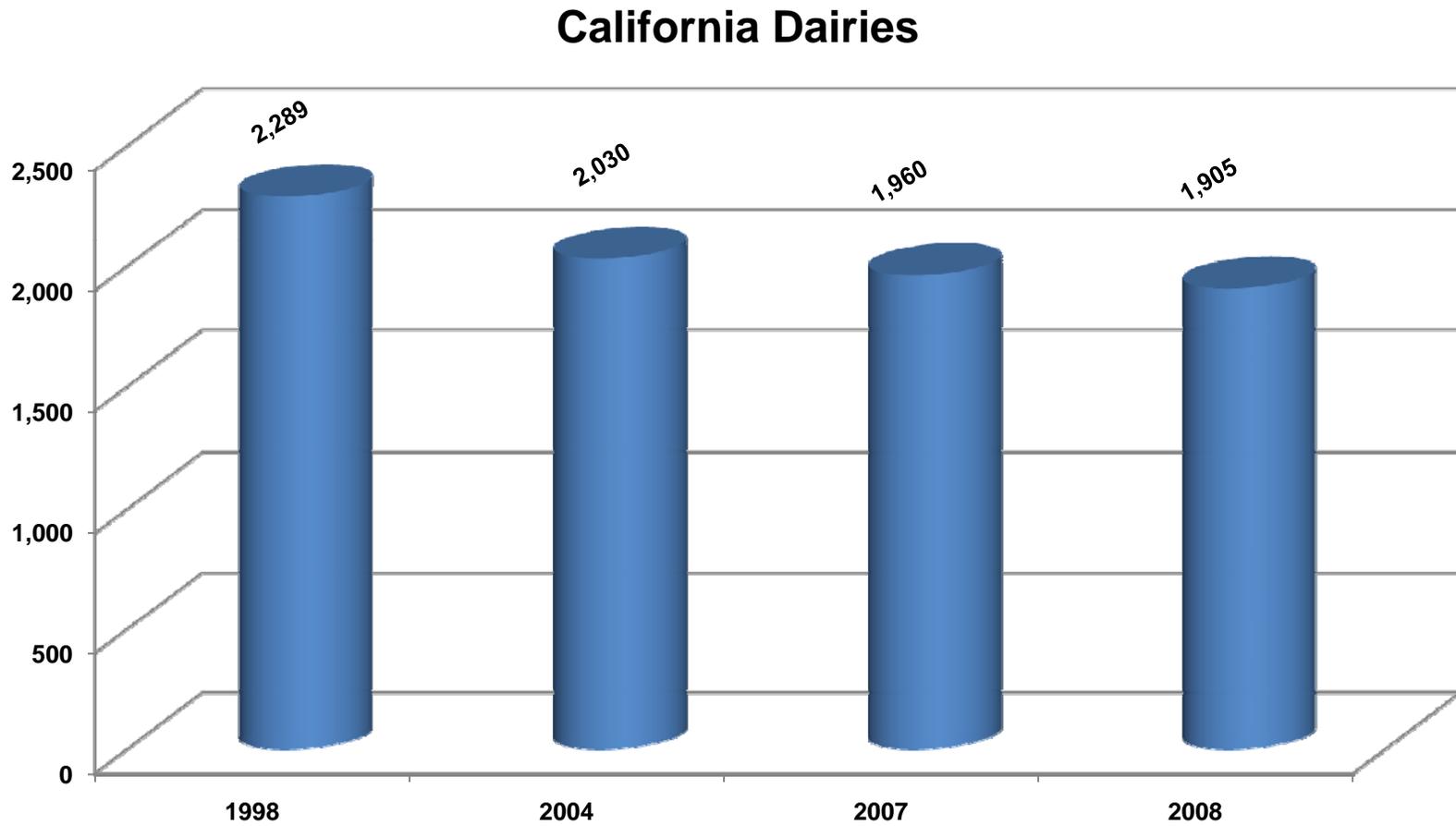


# The Wow of the Cow

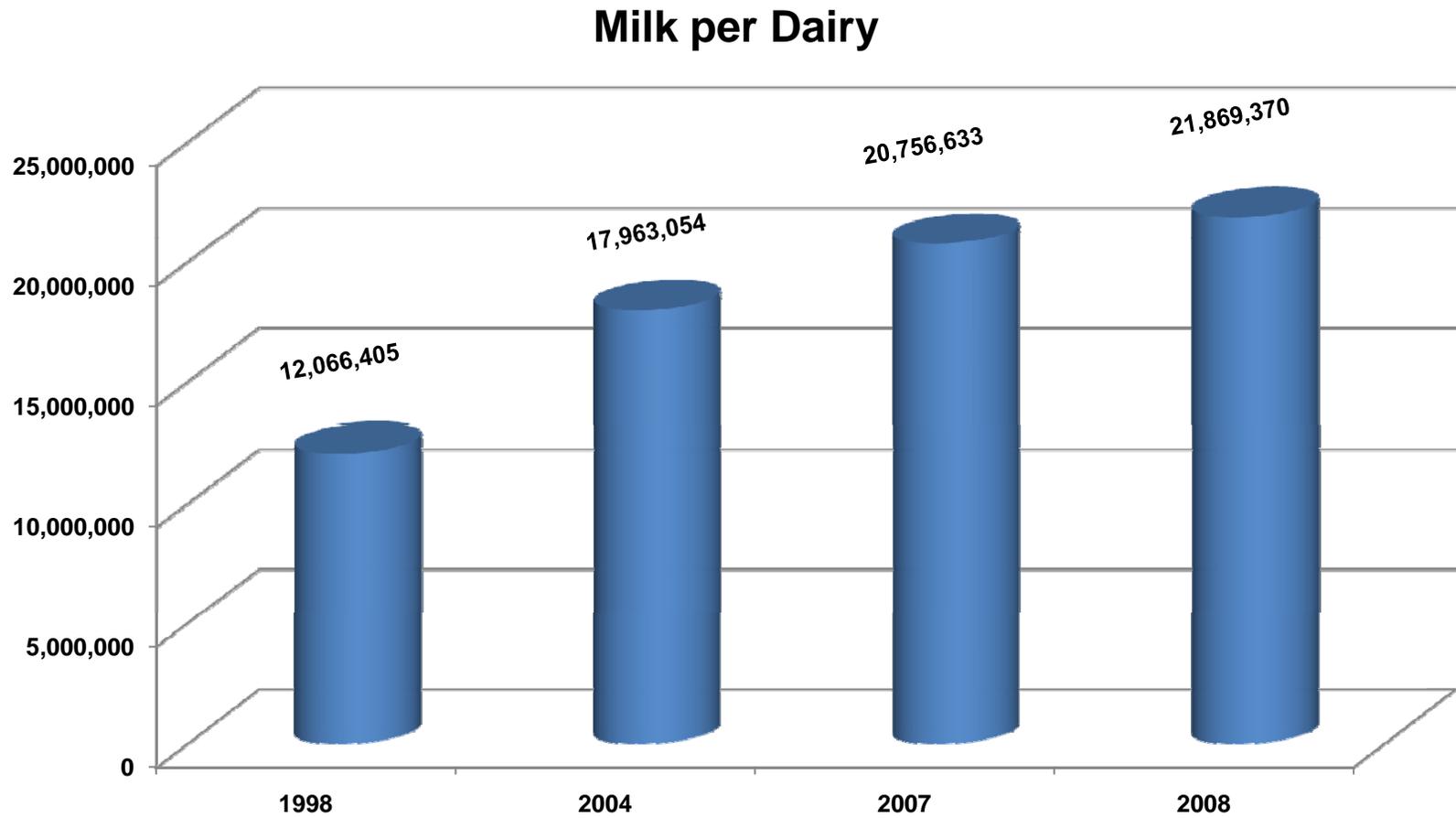
**Total Milk Production**  
(Billions of Lbs)



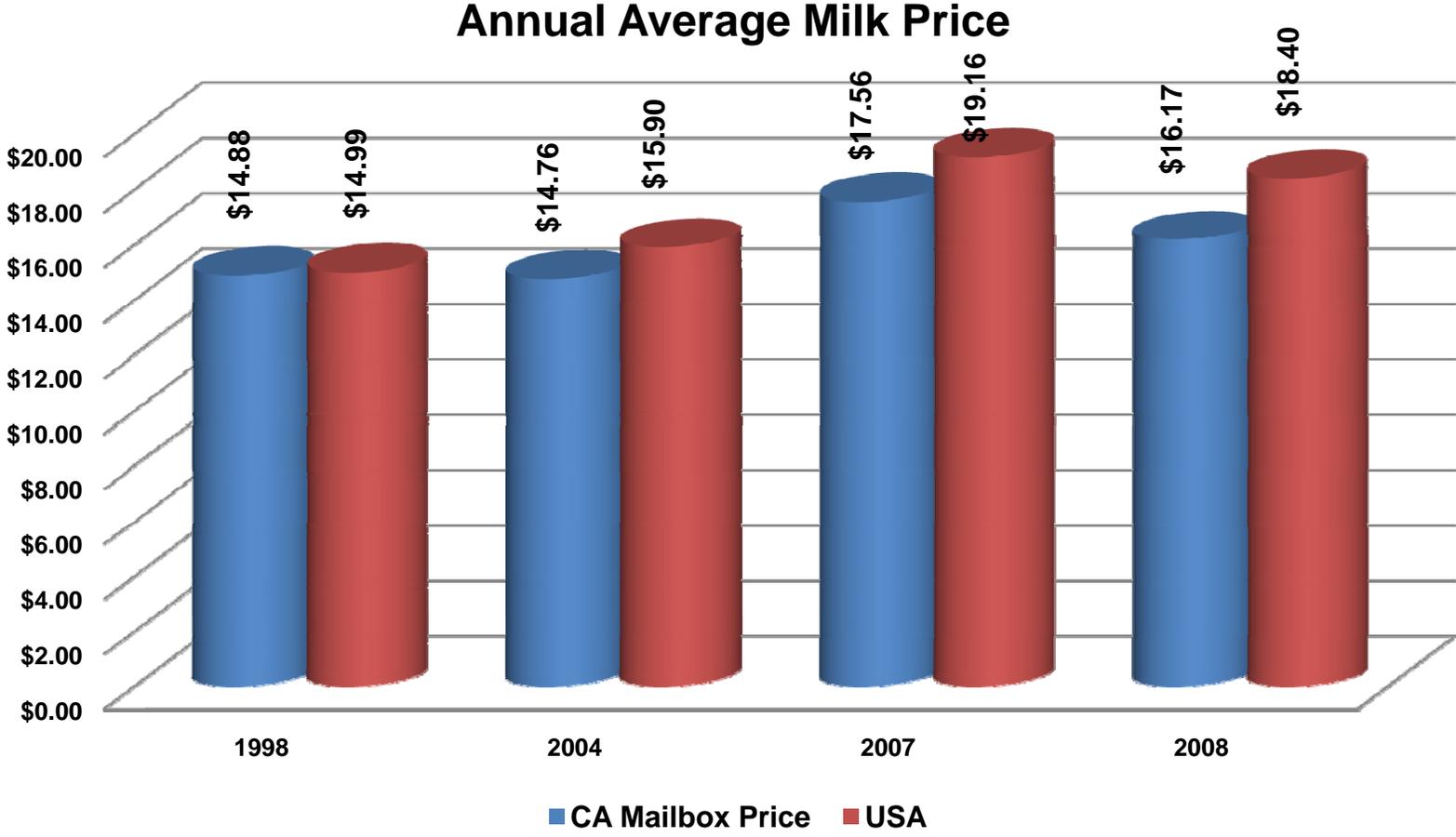
# The Wow of the Cow



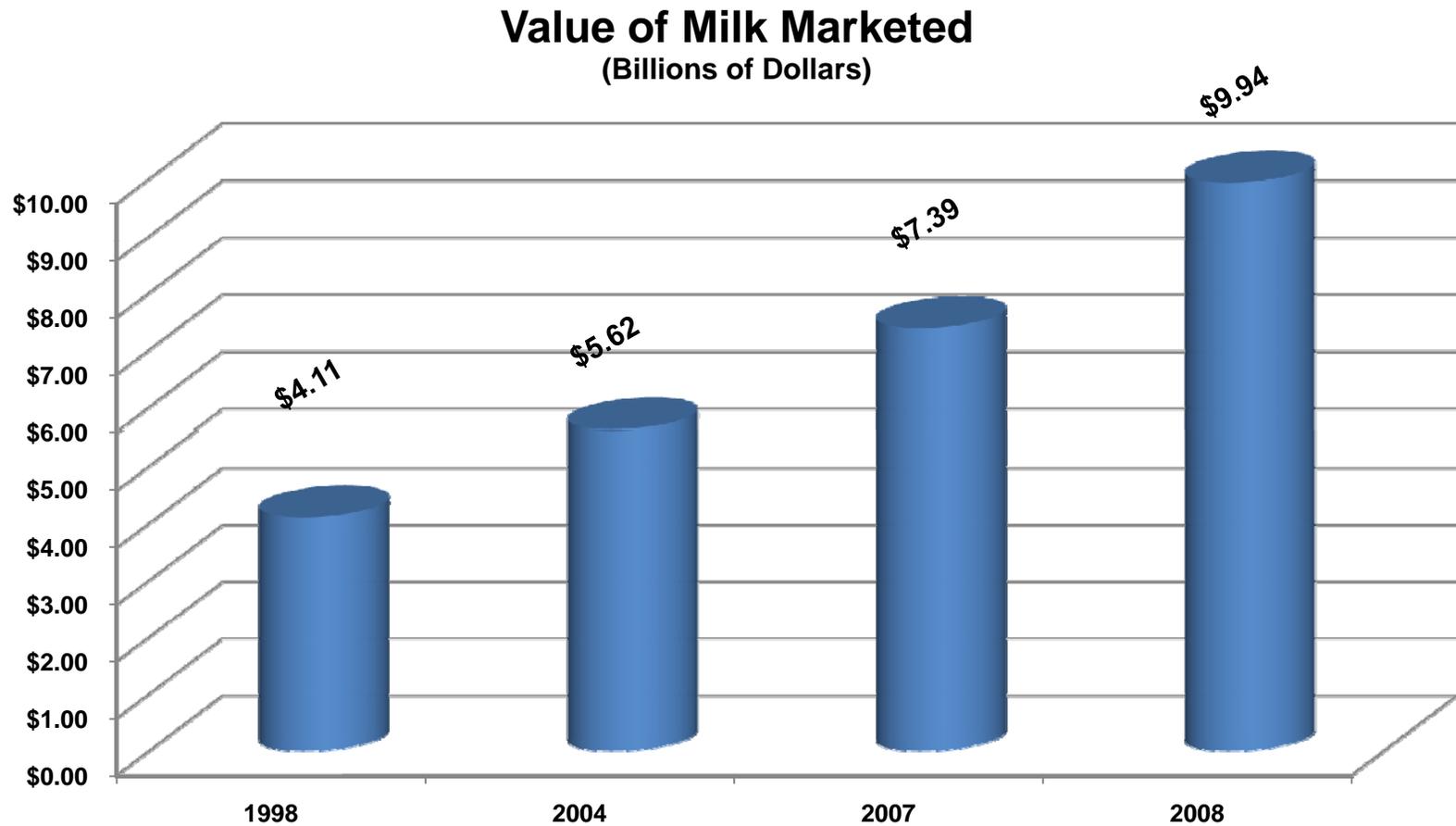
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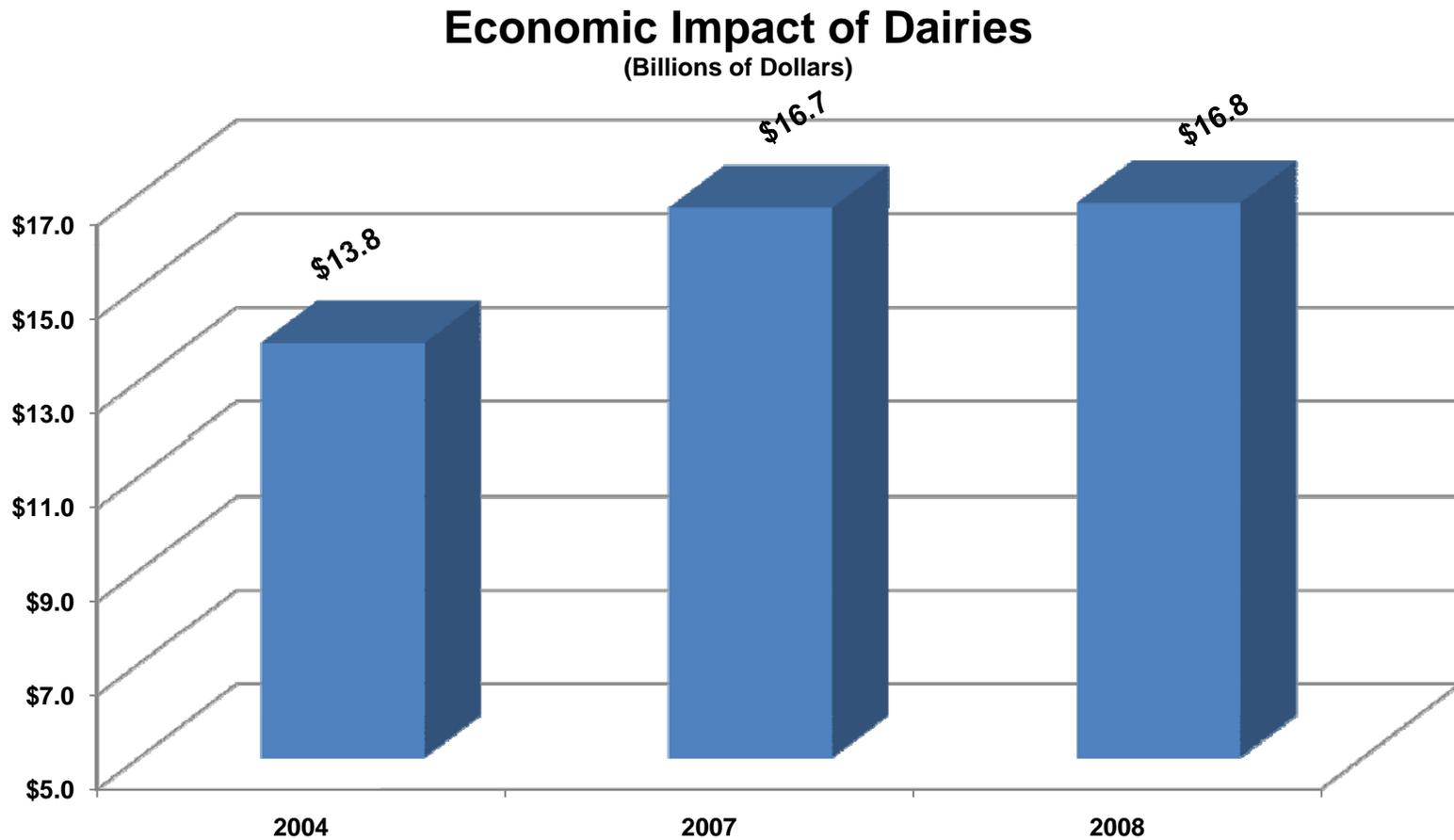
# The Wow of the Cow



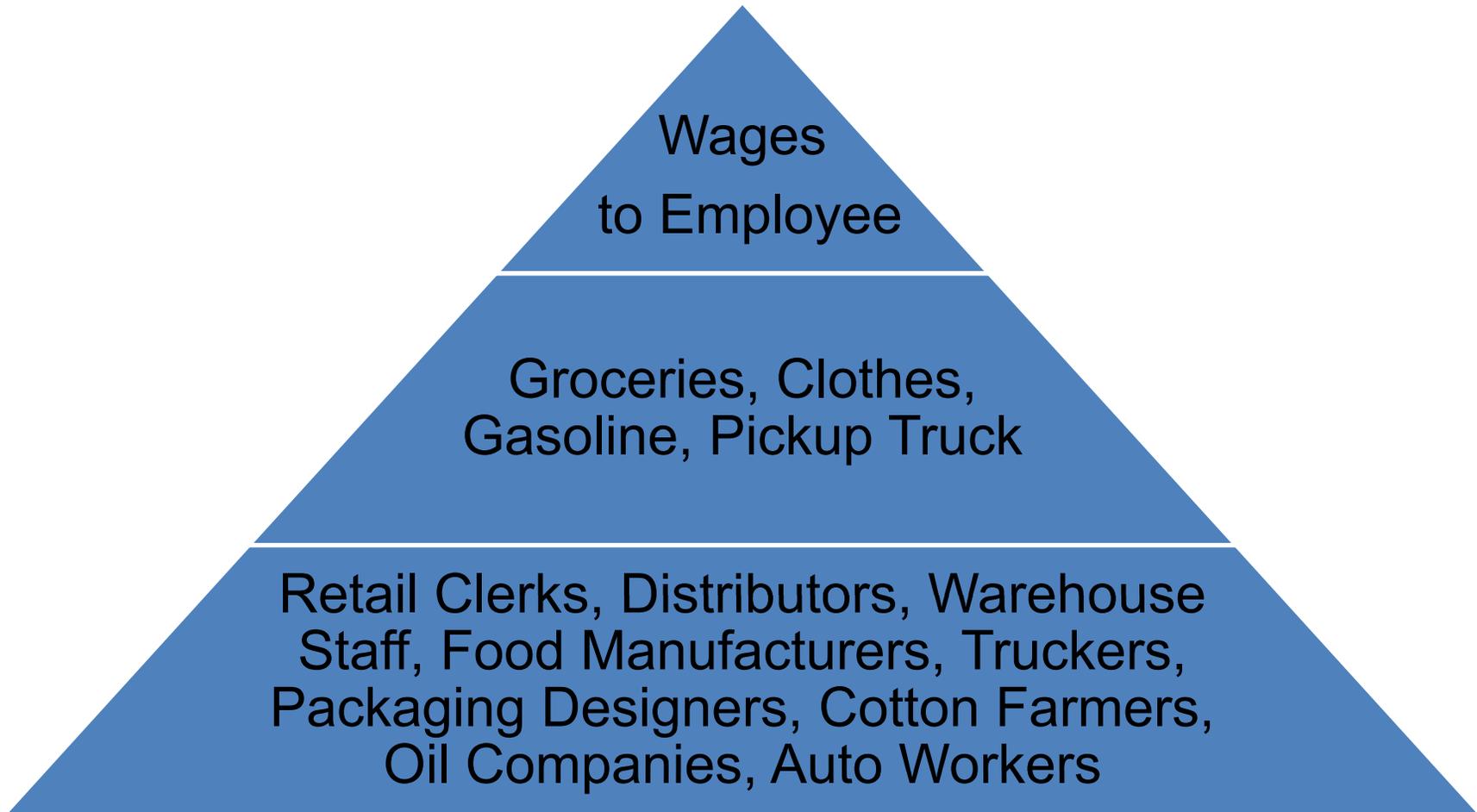
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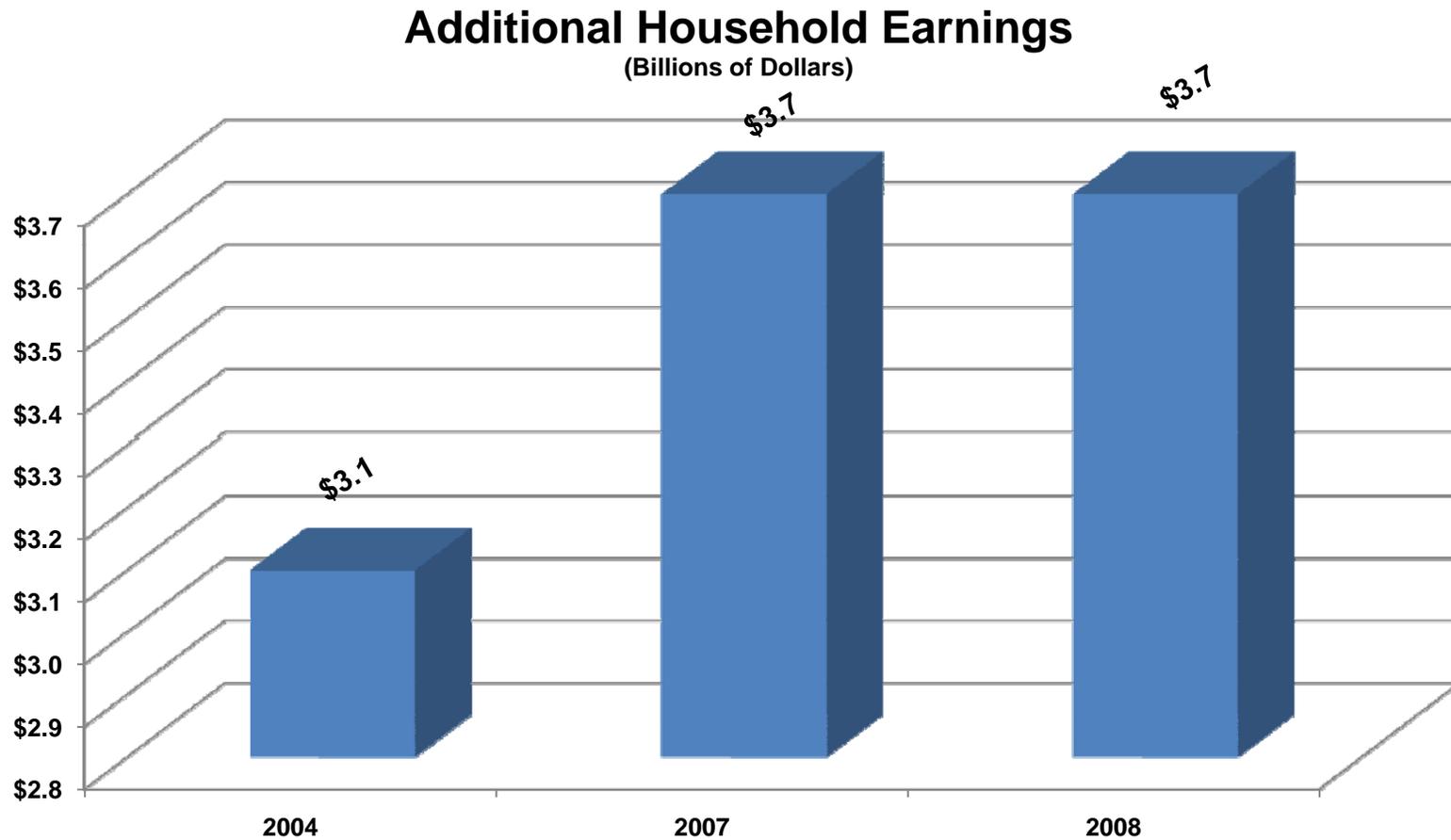
# The Wow of the Cow



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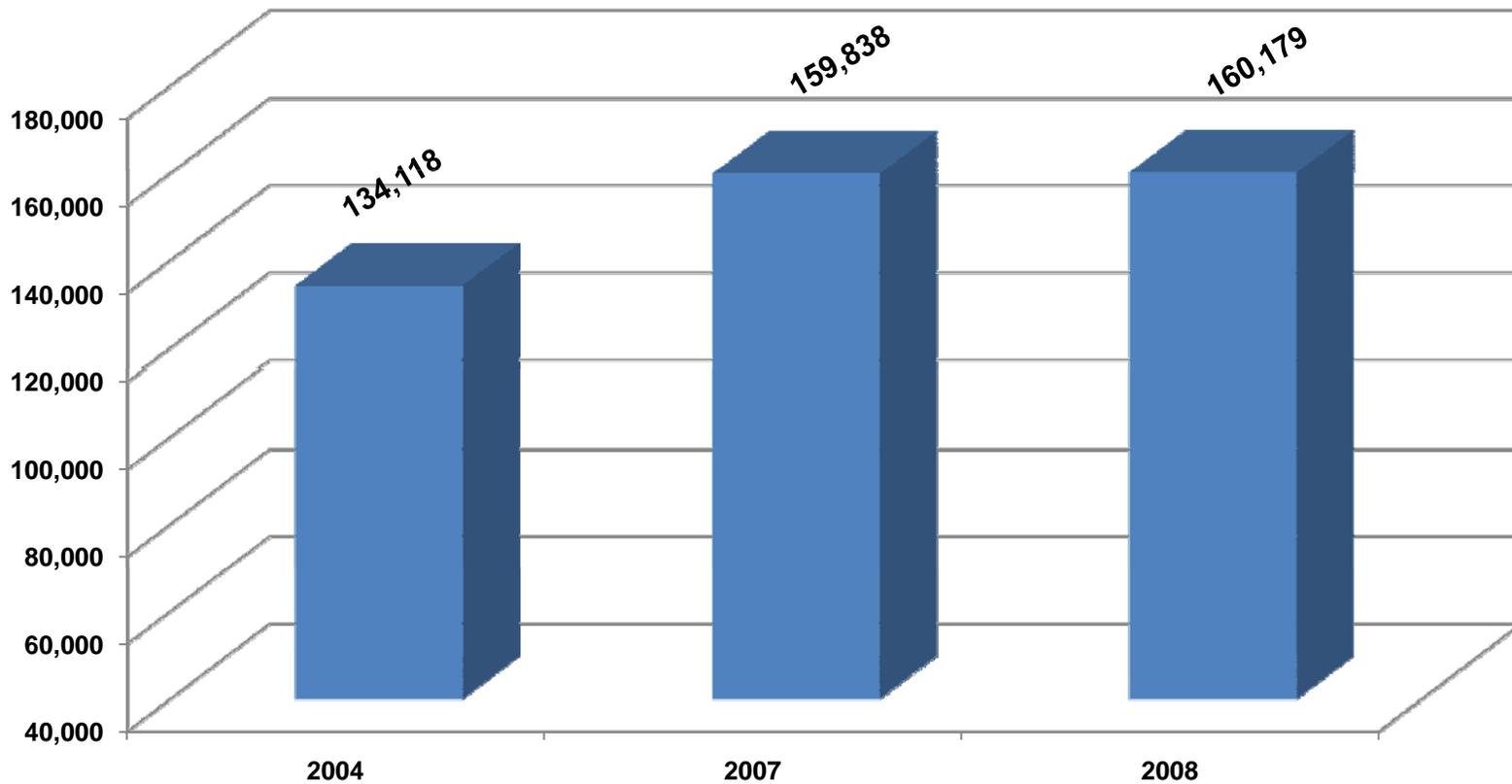


# The Wow of the Cow



# The Wow of the Cow

Jobs Created By Dairies



# The Wow of the Cow

## In 2008, Typical California Dairy

- ◇ Generated \$33.1 million worth of economic activity
- ◇ Generated \$6.4 million of additional household earnings for California families
- ◇ Created 232 jobs in the state
  - ◇ On-the-farm: 10
  - ◇ Beyond the farm: 222

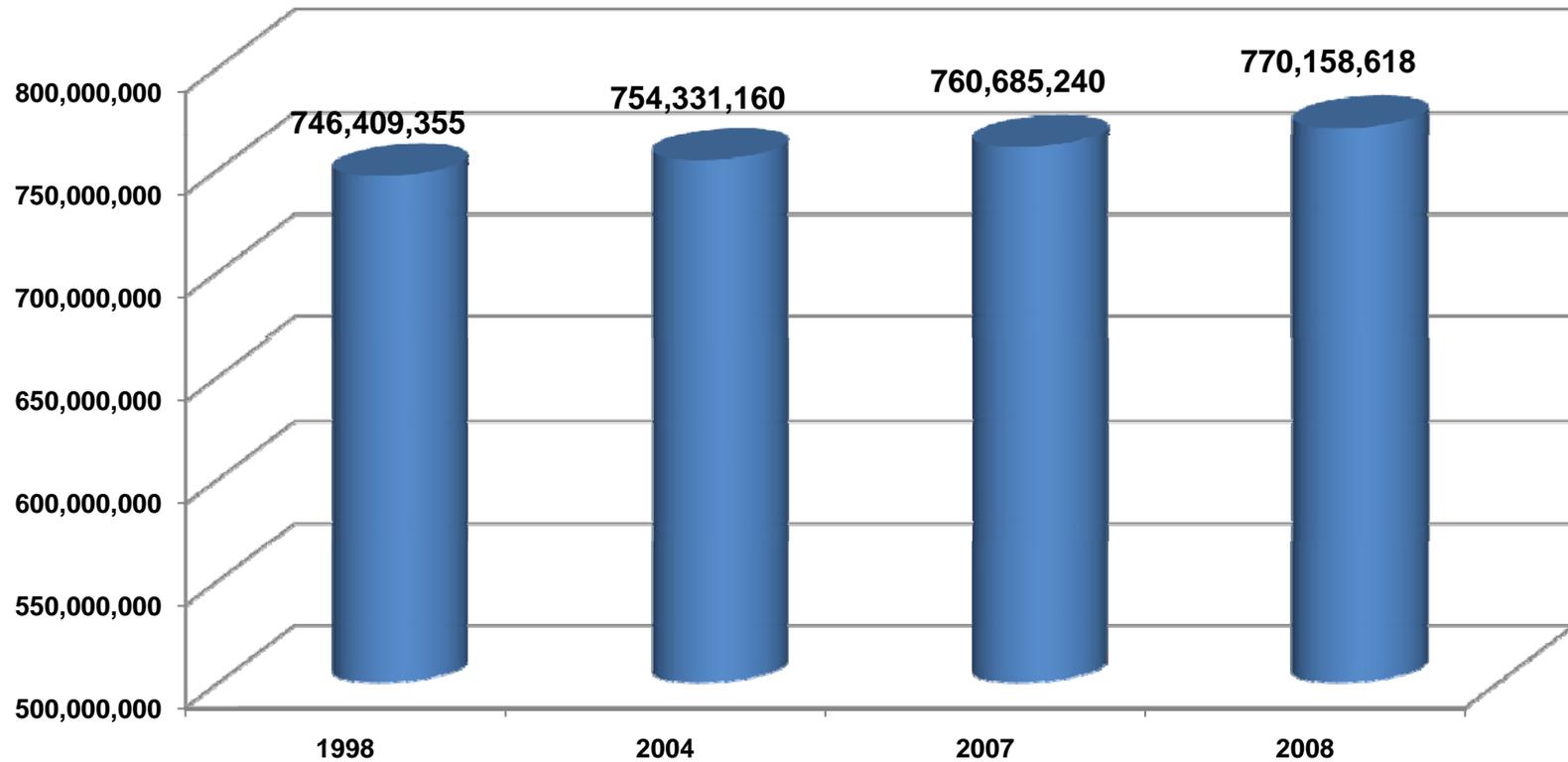
# The Wow of the Cow

## Typical California Cow in 2008

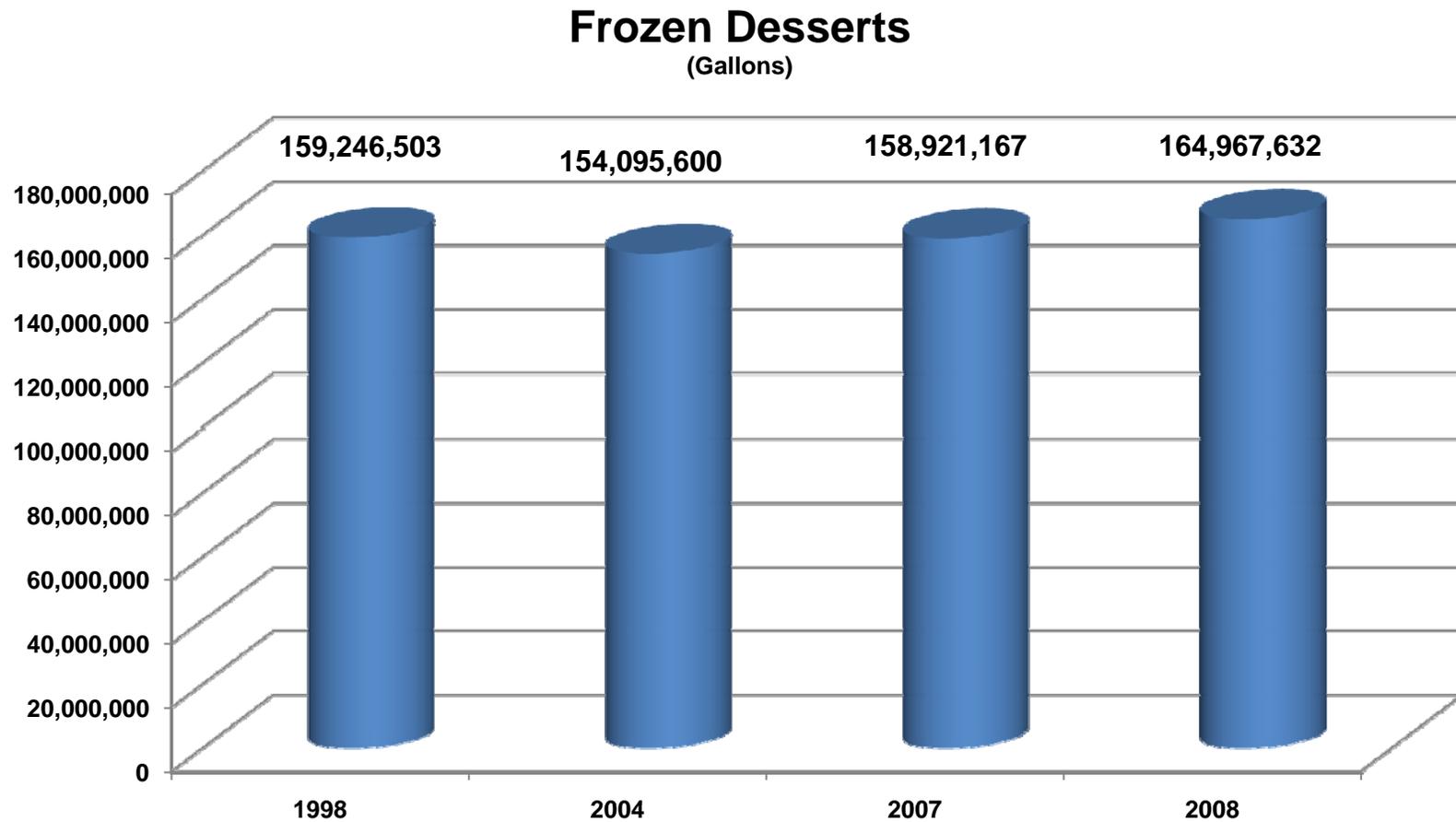
- ◇ Generated \$34,165 of economic activity
- ◇ Generated \$6,616 of additional household earnings for California families
- ◇ Every 4 cows created a job in the state

# Impact of Dairy Processors

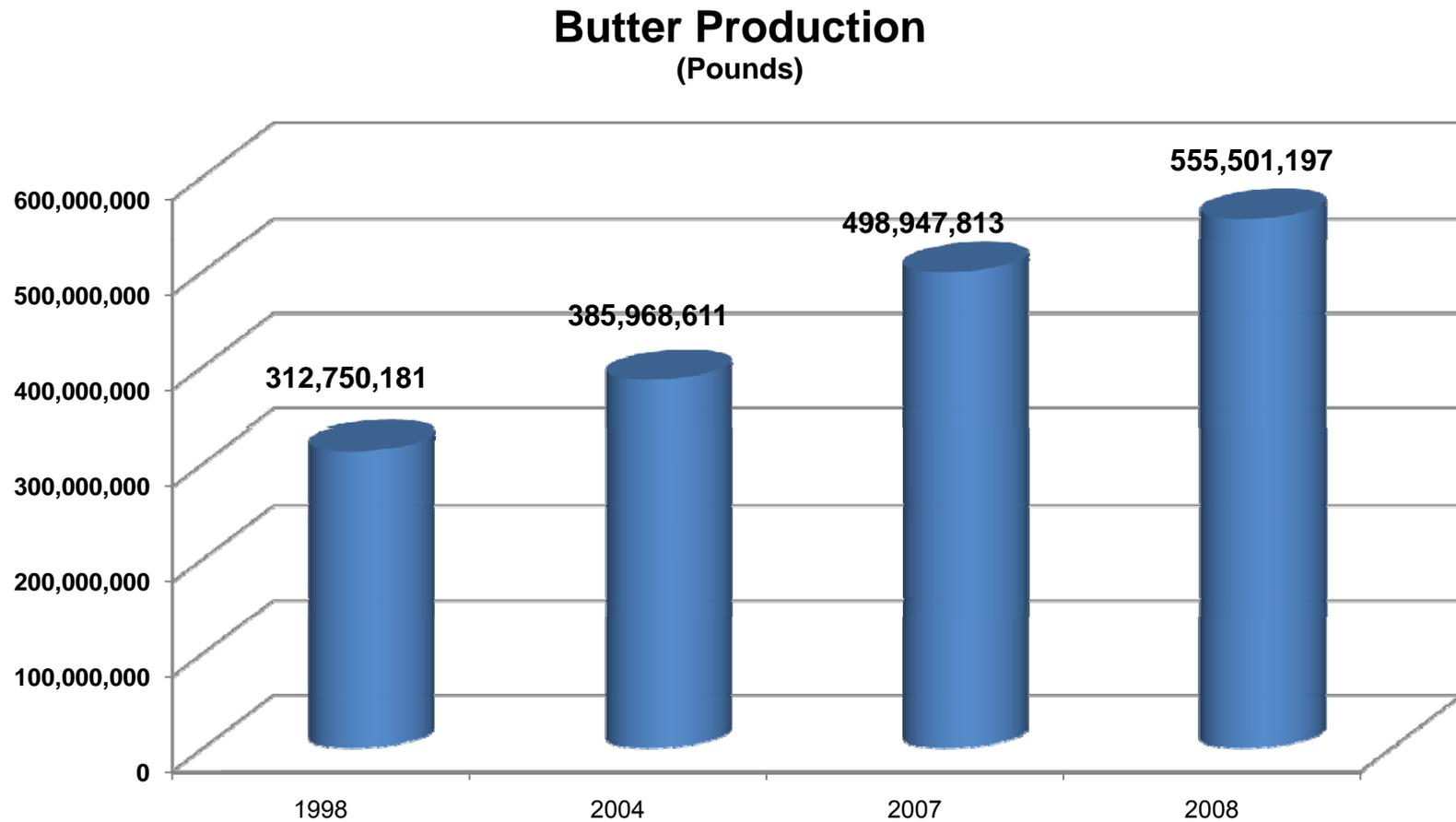
Fluid Milk Production  
(Gallons)



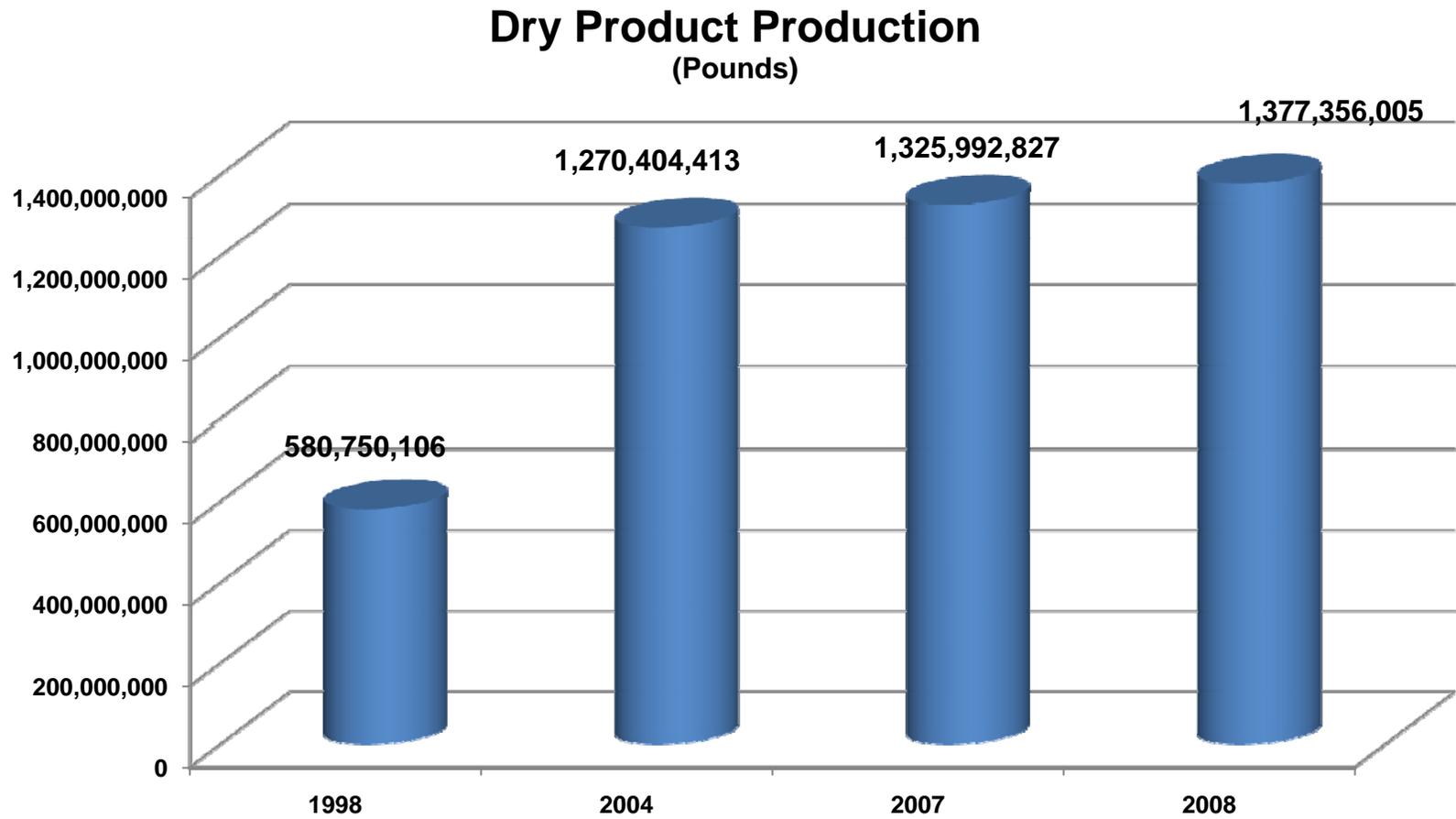
# Impact of Dairy Processors



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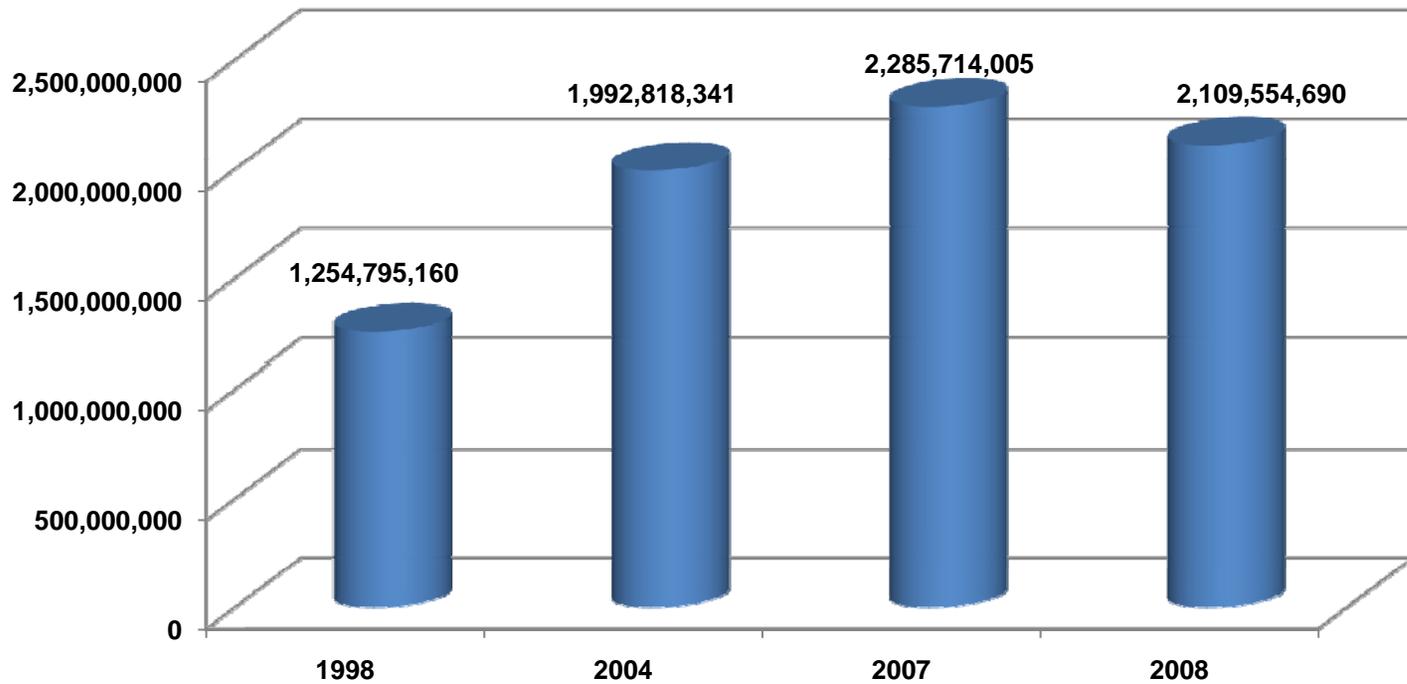


# Impact of Dairy Processors



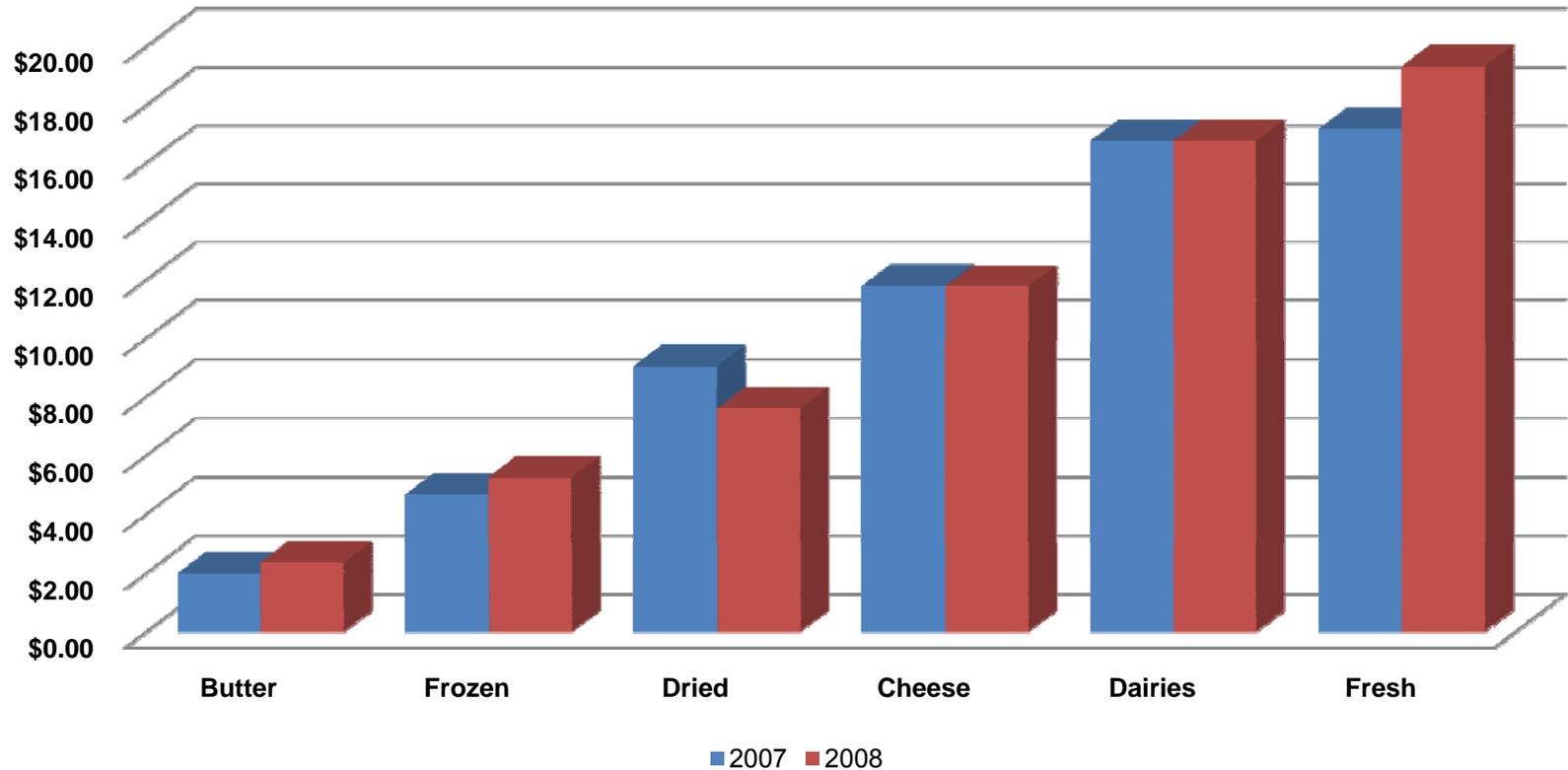
# Impact of Dairy Processors

## Cheese Production



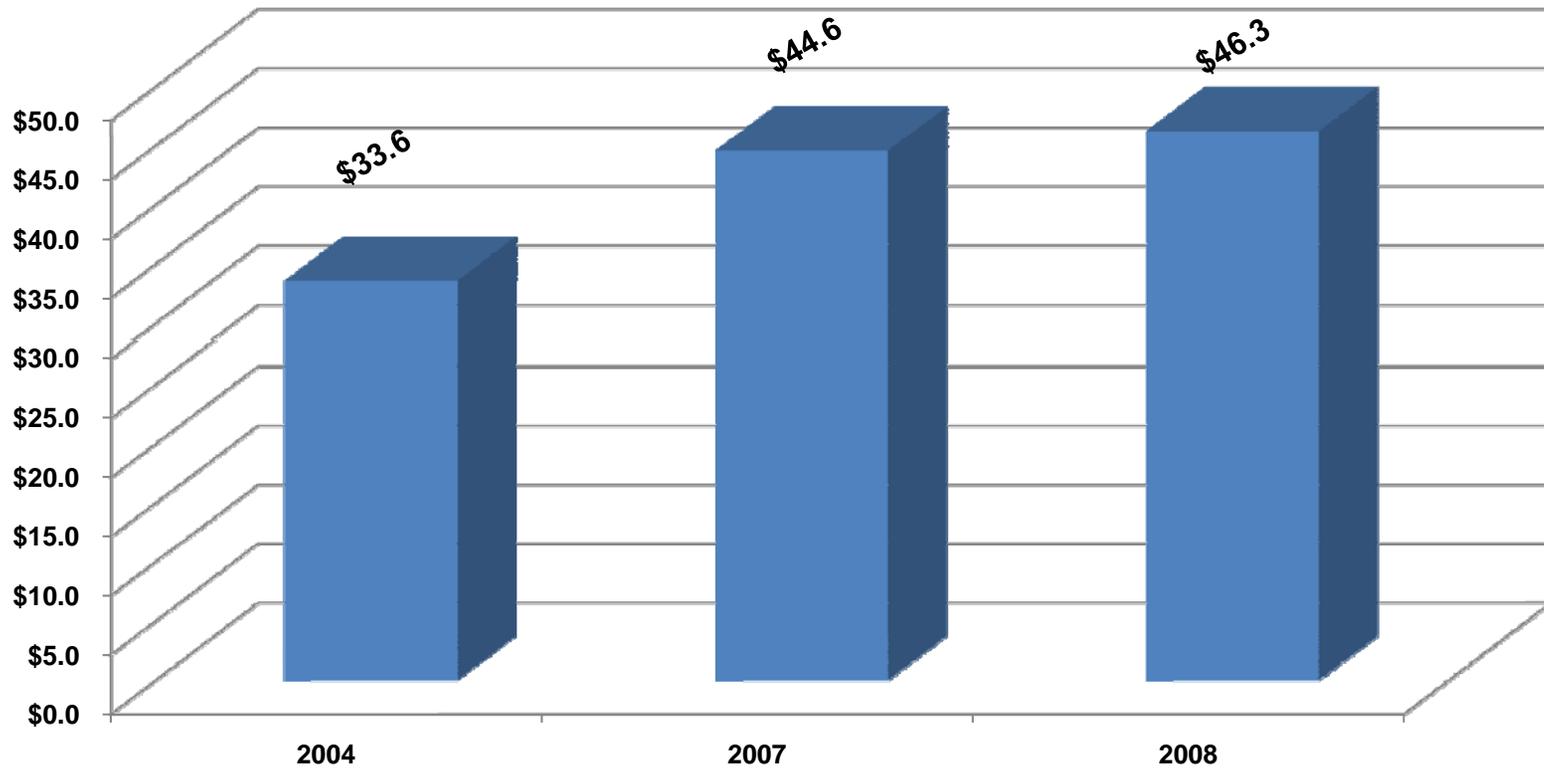
# Economic Impact by Sector

**Economic Impact by Sector**  
(Billions of Dollars)



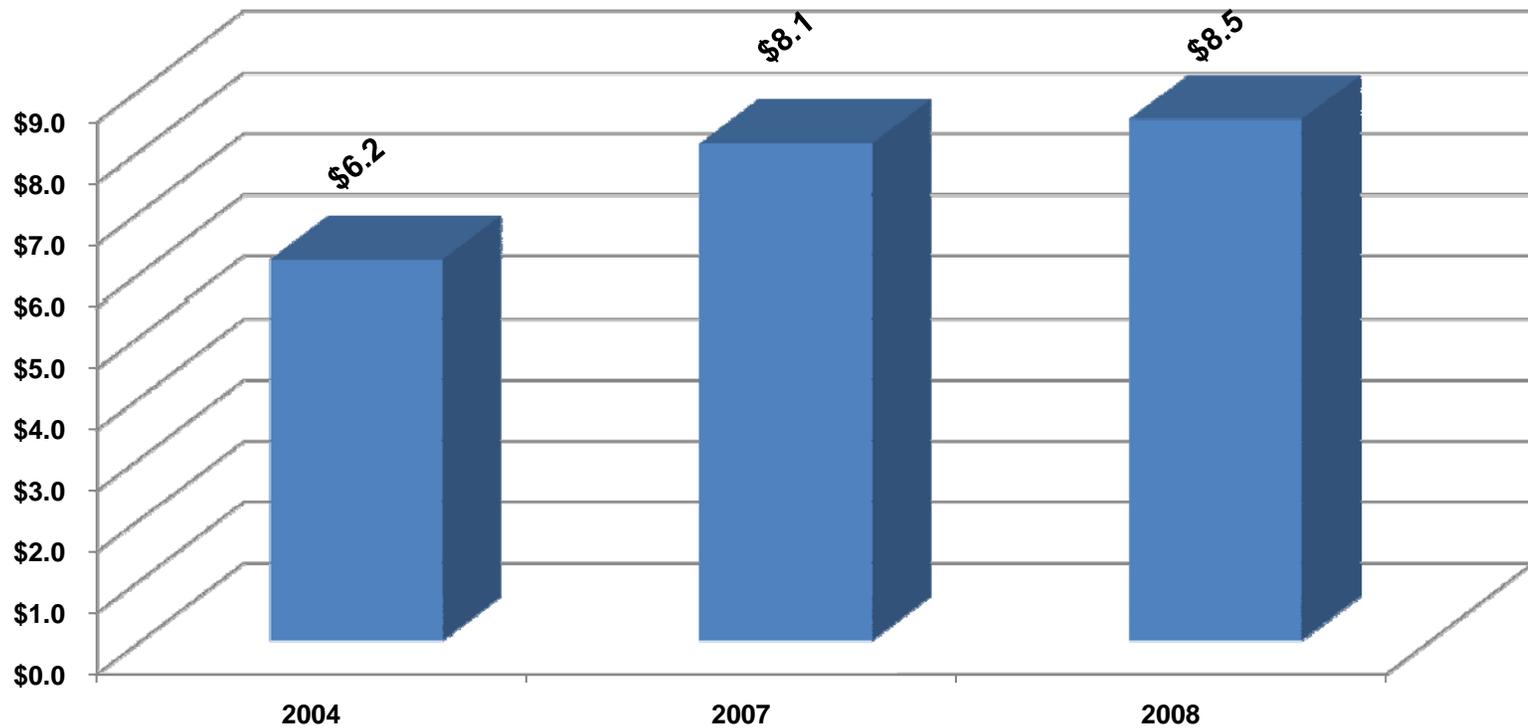
# Impact of Dairy Processors

**Economic Impact of Dairy Plants**  
(Billions of Dollars)



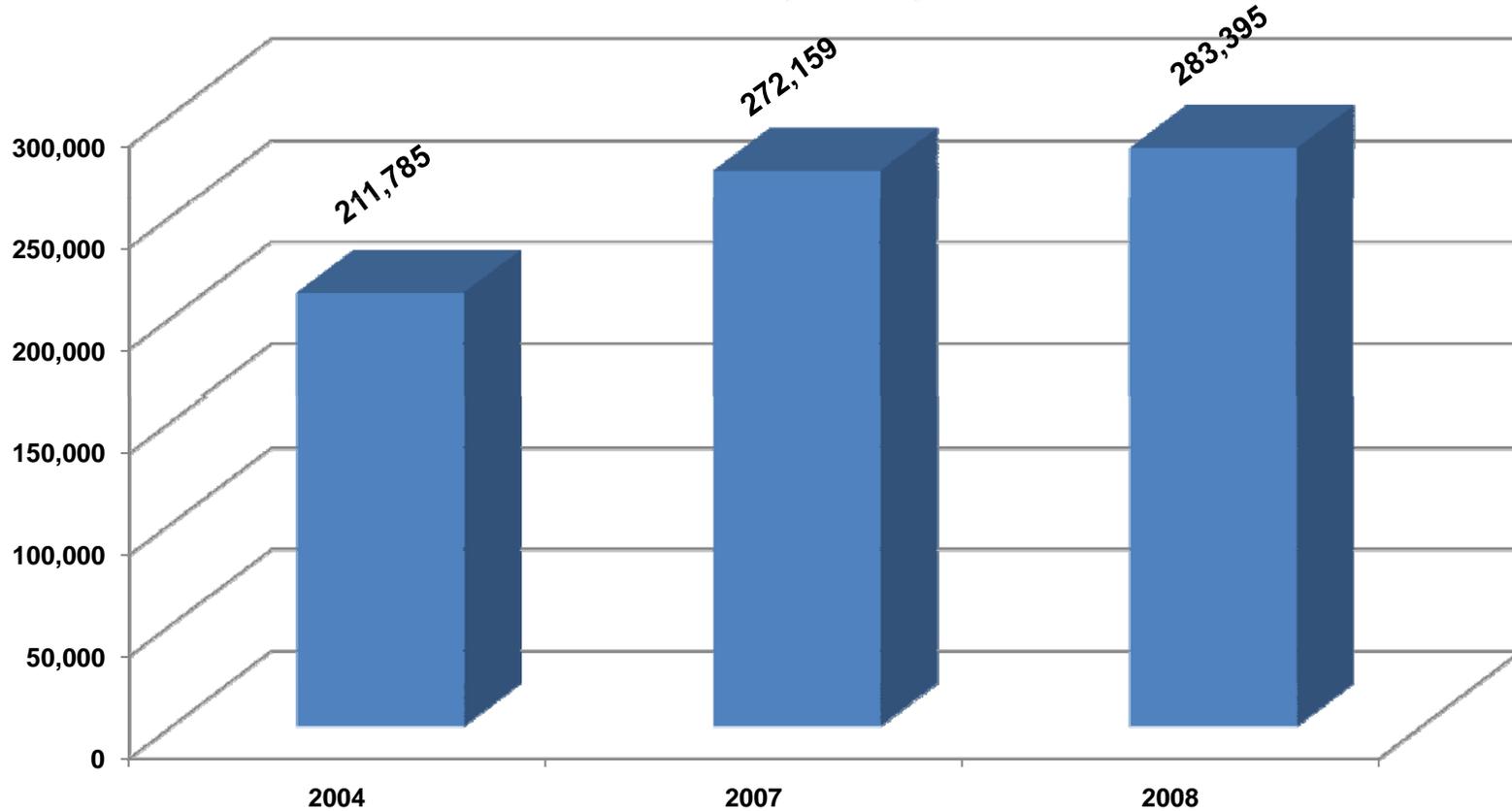
# Impact of Dairy Processors

Household Earnings Generated  
by Dairy Plants  
(Billions of Dollars)



# Impact of Dairy Processors

## Jobs Created by Dairy Plants



# Impact of Dairies & Plants

Economic Output: \$63.0 billion

Household Earnings: \$12.2 billion

Jobs Created:

35,045 directly employed

408,529 due to economic output

443,574 California jobs

About 3% of the jobs in the state

# **The Wow of the Cow**

Prepared for California Milk Advisory Board

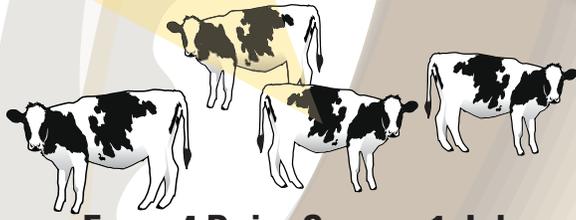
By Jerry Dryer, J/D/G Consulting Inc

02 Dec 2009

# The Positive Economic Impact of California's Dairy Industry Within the State



A Typical Dairy Cow in 2008 Generated \$34,165 of Economic Activity



Every 4 Dairy Cows = 1 Job



Feed Farmers



Retailers



Grocery Store Clerks



222 Beyond-the-Farm Jobs

10 On-the-Farm Jobs Lead to



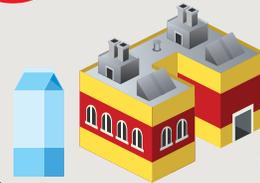
Distributors



Milk Truck Drivers



Processors



Milk Processors



Cheese Plant Workers

## California Job Creation Comparison



Dairy (2008)  
443,574

Wine (2008)  
330,000



Film & TV (2007)  
208,230



Economic Output: \$63 BILLION

