Economic Impact of Connecticut’s Dairy Industry: An Update

January 3, 2017

Rigoberto A. Lopez

Director, Zwick Center for Food & Resource Policy
Prof. and Head, Agricultural & Resource Economics
University of Connecticut
North American Industry Classification System

Dairy Industry Definition:

FARMING

• 112120 Dairy cattle and Milk Production

PROCESSING

• 311511 Fluid Milk Manufacturing
• 311513 Cheese Manufacturing
• 311520 Ice Cream & Frozen Deserts Manufacturing
Previous Study for OECD/DOA in 2009

The comparison between three models by using 2007 data

![Bar chart for Sales and Number of Jobs](https://via.placeholder.com/150)

Also, study for FCE using 2012 data used IMPLAN on Northeastern Agriculture
Number of Dairy Farms, 1990-2012

Number of farms continues to decline

Land in Dairy, 1992-2012

Land in dairy is decreasing

Dairy Cows, 1990-2015

Number of dairy cows is stable

Milk Production, 1990-2015

Milk production is bouncing back

Recent Farm Milk Prices

Production of Cheese and Ice Cream, 1991-2007

Source: Connecticut Department of Agriculture, 2007-2008
Model Used: IMpact analysis for PLANning

Input
Direct sales from dairy industry

Output
Statewide Sales Employment

IMPLAN
**INPUT**

**Direct Sales (percentages)**

**2007**

- Ice Cream & Frozen Deserts: 25%
- Dairy Farming: 13%
- Fluid Milk Products: 22%
- Cheese: 40%

Total: $572.52 million

**2015**

- Ice Cream & Frozen Deserts: 23%
- Dairy Farming: 9%
- Fluid Milk Products: 46%
- Cheese: 22%

Total: $820.89 million
## INPUT

### Direct Sales in Dollars

<table>
<thead>
<tr>
<th>Activity</th>
<th>2007</th>
<th>2014</th>
<th>2015</th>
<th>2015-07 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DAIRY FARMING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluid Milk Products</td>
<td>75.93</td>
<td>99.18</td>
<td>73.1</td>
<td>-4%</td>
</tr>
<tr>
<td>Cheese</td>
<td>125.91</td>
<td>373.2</td>
<td>381.08</td>
<td>203%</td>
</tr>
<tr>
<td>Ice Cream &amp; Frozen Deserts</td>
<td>229.41</td>
<td>144.9</td>
<td>177.37</td>
<td>-23%</td>
</tr>
<tr>
<td><strong>Total Dairy Industry</strong></td>
<td>141.269</td>
<td>175.3</td>
<td>189.34</td>
<td>34%</td>
</tr>
<tr>
<td><strong>DAIRY PROCESSING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Dairy Industry</strong></td>
<td>572.52</td>
<td>792.6</td>
<td>820.9</td>
<td>43%</td>
</tr>
</tbody>
</table>
## OUTPUT
### Impact on Statewide Sales

<table>
<thead>
<tr>
<th>Activity</th>
<th>2007</th>
<th>2014</th>
<th>2015</th>
<th>2015-07 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DAIRY FARMING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluid Milk Products</td>
<td>97.78</td>
<td>135.5</td>
<td>119.7</td>
<td>22%</td>
</tr>
<tr>
<td>Cheese</td>
<td>206.85</td>
<td>570.1</td>
<td>394.04</td>
<td>90%</td>
</tr>
<tr>
<td>Ice Cream &amp; Frozen Deserts</td>
<td>406.74</td>
<td>215</td>
<td>274.35</td>
<td>-33%</td>
</tr>
<tr>
<td><strong>Total Dairy Industry</strong></td>
<td>951.81</td>
<td>1,179.6</td>
<td>1,077.96</td>
<td>13%</td>
</tr>
</tbody>
</table>
## OUTPUT

### Impact on Statewide Jobs

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number of Jobs</th>
<th>2007</th>
<th>2014</th>
<th>2015</th>
<th>2015-07 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DAIRY FARMING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DAIRY PROCESSING</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluid Milk Products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cheese</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ice Cream &amp; Frozen Deserts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Dairy Industry</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **DAIRY FARMING**
  - Fluid Milk Products: 798 to 1,522 to 1,604, increase of 101%
  - Cheese: 1,444 to 521 to 630, decrease of 56%
  - Ice Cream & Frozen Deserts: 790 to 889 to 934, increase of 18%
- **Total Dairy Industry**: 4,037 to 3,622 to 3,785, decrease of 6%
Conclusions

IN 2015 THE CONNECTICUT DAIRY INDUSTRY CONTRIBUTED

• $1 billion to statewide dollar sales:
  • A 13% increase since 2007
  • Expansion in all sectors, except for in cheese

• 3,800 statewide jobs
  • A 6% decrease since 2007
  • Declined in farming and cheese production, increased in fluid milk products and ice cream/frozen dessert manufacturing
Conclusions

Non-traditional impacts:

• Connecticut dairy farms provide **open space and ecosystem benefits** beyond output sales and jobs through its 63,609 acres in 2012.

• These impacts are not included in this update.
Thank you!

Questions?