

2019 State of the Oregon Dairy Industry



Oregon's dairy community is diverse, resilient, innovative, visionary and sustainable. There is much that is going right – much to be proud of – as you'll see in the pages that follow.

Our communities and families benefit from a thriving dairy industry, and for that we say “thank you” to Oregon's dairy farmers and processors. Dairy on!

OUR DAIRY FARM FAMILIES



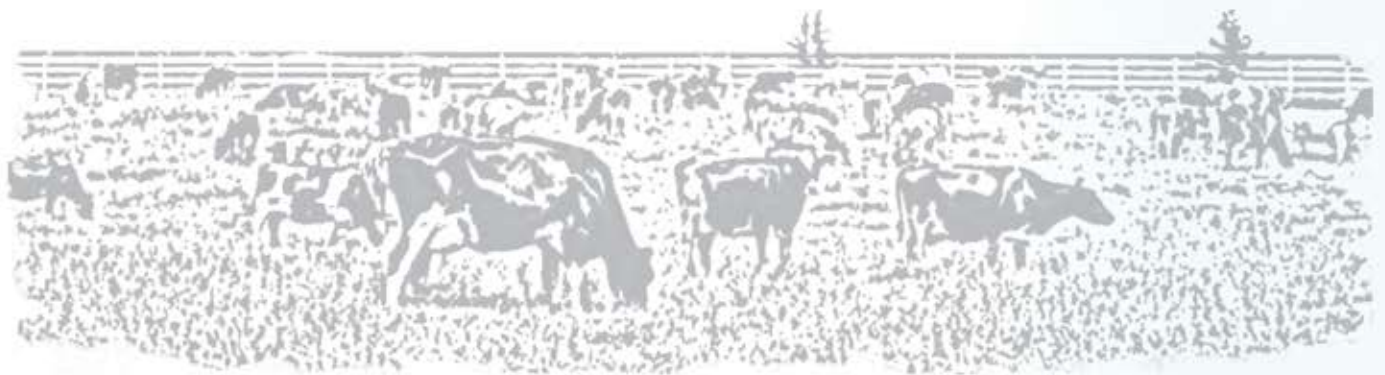
Our dairy community includes a diverse mixture of family farms. Large and small, conventional and organic, modern and traditional; there is room for all to prosper.

Dairy farms are located in 20 of Oregon's 36 counties; the top three for production are Morrow, Tillamook and Marion. Herd sizes range greatly from 20 cows up to 30,000. Regardless of size or type, all are family owned and uphold high standards for good animal care, environmental stewardship, farming and employment practices.

According to the Oregon Department of Agriculture, there were approximately 210 licensed, Grade A cow milk dairy producers in 2018. This is down from 326 farms in 1998. This 20-year reduction of 116 dairy farms – an average of nearly six farms per year – is attributable to factors including: economics, retirement, lack of succession, change in business model and consolidation. This trend is not unique to Oregon, as agricultural production nationwide has been moving toward fewer but larger farms.

“Our industry is blessed with some of the best people working within it, and in all roles supporting it. We have bright and intelligent minds that come up with creative solutions to the most complex problems daily. If we hold together, there is no doubt in my mind that we will have a bright future ahead.”

– Darleen Sichley, Abiqua Acres



Oregon Dairy by the Numbers

Dairy farms: **210** licensed, Grade A farms

Average farm size: **300 acres**

Average number of milking cows: **350**

Total dairy cows: **124,000**

Cow breeds: Mostly Holsteins and Jerseys with Guernseys, Ayrshires, Brown Swiss, Milking Shorthorn

Milk production: **2.6 billion** pounds annually, 19th in the nation

Milk quality: **8th** in the U.S.

Average cow production: **65 pounds** (~7.6 gallons) per day

Average farmer age: **59.6**

Cooperatives: **70%** of Oregon farms belong to Tillamook, Darigold or Organic Valley

23% organic/**77%** conventional

CAFO permits: **All** Oregon dairies hold "Confined Animal Feeding Operation" permits (45 of the 113 large CAFOs in Oregon are dairies)

Continual improvement:

Building on rich history and tradition, dairies use modern technology to enhance efficiency and sustainability, including:

- Solar panels, LED lighting
- Generating power from animal waste with methane digesters
- Innovative water conservation and reuse
- Robotics, RFID tags
- Precision agriculture, satellite and GPS technology

Since 1944, the carbon footprint of milk has shrunk by 63 percent. Today, dairy represents less than two percent of greenhouse gas emissions in the U.S.



BIG ECONOMIC IMPACTS

Dairy is Oregon's fourth largest commodity. In addition to producing nutritious milk and delicious foods, the dairy industry is a **vital generator of jobs** and positive economic impacts for communities throughout Oregon and the nation. Dairies create employment for people on the farms and also for people who grow and deliver feed. The industry employs nutritionists, veterinarians, reproductive technicians, equipment suppliers and people who transport, process and market dairy products. It also supports insurance agents, accountants, bankers, and many others who provide supporting roles.

Dairy manufacturing jobs pay **above average wages** compared to the food manufacturing industry group, and these jobs are most often located in communities where employment opportunities are in short supply. On average, jobs in dairy food processing **pay the best** of all jobs in the food processing sector.

Oregon is home to 32 dairy food processors ranging from small independent and artisanal creameries serving niche markets to household name brands. Oregon's robust processing community covers every major dairy product category, with every class of milk represented.



Direct jobs: **12,222** in Oregon

Indirect jobs: **27,878** supported by the dairy industry through suppliers and expenditures

Wages: **\$508.6M**

Dairies create a **ripple effect** on both the agricultural economy and the economic well-being of rural communities. When a dairy farmer spends money locally, it creates a multiplier effect of **more than two and a half times the original dollar spent.**

Dairy food processors: **32**

Milk production value: **\$469.3M**

Economic impact: **\$2.7 billion**

Federal tax revenues: **\$463.9M**

State tax revenues: **\$219M**

GROWING EXPORTS

Approximately 80 percent of dairy products made in Oregon go to other domestic and international markets. Increasing demand through exports supports the prosperity of Oregon farmers and processors. Dairy products are Oregon's fifth most valuable agricultural export commodity after

seeds, fruits and nuts, wheat and vegetables.

Jobs: **988 Oregon Jobs** supported by dairy exports

Value: **\$81M** in dairy exports

Impact: **\$204M** Oregon economic impact from dairy exports

Oregon is focusing on **growth in SE Asia** — including Singapore, Malaysia, Vietnam, Hong Kong — through trade missions, collaborative partnerships and grant funded research and expertise.

INDUSTRY DEVELOPMENT AND PRODUCT INNOVATION

The dairy industry is ever evolving. In addition to exploring new dairy markets, there is great potential for developing new dairy products through innovation.

Food Innovation Center –

Located in downtown Portland, the center helps dairy food manufacturers bring new and improved products to market

(examples include Salt and Straw, Ruby Jewel, Upstar Nutrition, Chedz, Umpqua and Eberhard's).

Arbuthnot Dairy Center –

Located at Oregon State University, the center delivers state-of-the-art dairy education and research. In addition to dairy processing classes and workshops, it houses a business incubator and produces Beaver Classic Cheese.

Oregon Quality Food and Beverage Center –

To be constructed on the Oregon State University campus, this new hub for innovation, teaching, and collaboration will include a dairy pilot plant, food science laboratory, classrooms and a demonstration space.

Oregon's Dairy Processors –

Processors invest in their own facilities to bring new products to market as well. Recent examples have included: **Tillamook, TMK Creamery, Rogue Creamery, Umpqua Dairy and Springfield Creamery.**

NOTABLE AWARDS AND ACCOLADES

- U.S. Dairy Sustainability Award (2017) – Rickreall Dairy
- U.S. Dairy Sustainability Awards (2018)
 - Tillamook County Creamery Association
 - Kroger
- Seattle Business Magazine Gold Community Impact Award, Sustainability category – Darigold
- Oregon Aglink Ag Connection Award – Oregon Dairy Women
- Tillamook Tourism Excellence Award – Derrick Josi, Wilsonview Dairy
- Outstanding Organizational Leadership Award – Tillamook County Wellness
- Little League Chairman’s Award – Alpenrose/Cadonau Family
- Spotlight Award, Public Relations Society of America, Oregon Chapter
 - Scoop It Forward, Oregon Dairy and Nutrition Council
- World Dairy Expo, best in Dark Chocolate Ice Cream – Lochmead Dairy
- World Dairy Expo, best in Sour Cream and Regular Cottage Cheese
 - Umpqua Dairy
- National Milk Producers Federation, Chairman’s Award – Tillamook



A delegation of staff and farmers from Tillamook County Creamery Association received the U.S. Dairy Sustainability Award for Community Impact.

DAIRY FARMS PER COUNTY



PROCESSORS

- Alpenrose Dairy
- Bennett Family Farm
- Briar Rose Creamery
- Columbia River Processing
- Darigold
- Eberhard’s Dairy Products
- Face Rock Creamery
- Fred Meyer/Kroger Swan Island Dairy
- Helvetia Creamery
- Lady Lane Farms
- Larsen’s Creamery
- Lochmead Family Farms
- Nestucca Bay Creamery
- Ochoa’s Queseria
- Oregon Ice Cream
- Oregon State University, Beaver Classic
- Pacific Foods
- Rogue Creamery
- Royal Riverside Farm
- Safeway
- Schoch Dairy and Creamery
- Springfield Creamery
- Tillamook County Creamery Association
- TMK Creamery
- Umapine Creamery
- Umpqua Dairy Products
- Upstar Nutrition
- Valley Crest Foods
- Walla Walla Cheese Company
- Willamette Valley Cheese
- YoCream/The Dannon Company

Your local and national dairy checkoff, trade associations and allied partners are working together to keep Oregon dairy relevant, vital and irreplaceable – now and in the future.

