

Iowa Dairy Farm Survey – 2005 (Preliminary Results)

A.S. Leaflet R2106

Robert Tigner, Iowa State University extension farm management field specialist

Summary and Implications

Dairy farm operators view beginning dairy farms as an issue that programs and policies must address (all colleges, legal / financial communities, and legislature). Dairy operators are willing to assist beginning dairy farmers. A variety of beginning dairy farmer strategies were deemed necessary by current Iowa dairy operators.

Milk price volatility has been extreme in the last 4 years but policy choices that would require governmental action are not approved by anywhere near a majority of Iowa dairy operators. State Johnes' control programs did gather a majority approval. Although stray voltage has been an issue much discussed in popular agricultural media, a state program or policy did not gather approval from at least one fourth of Iowa dairy operators.

Models of successful beginning dairy farmers and a beginning dairy farmer venture capital fund could provide the vision and seed capital to re-establish dairy farms in areas of Iowa that have had dwindling dairy farm numbers. The models would provide a vision for owners of empty dairy facilities, as well as beginning dairy operators, with ideas of how the dairy could meet both parties goals.

Analysis of the survey data continues and this data will be compared to the 2000 Northeast Iowa Dairy Survey.

Introduction

During late winter and spring 2000, an opinion and management practices survey of dairy farms located in the Northeast Iowa Community-Based Dairy Foundation, Calmar, Iowa membership area was conducted. Purpose of the survey was to obtain baseline information about area dairy farms. The survey gathered dairy herd management, facilities, cropping, financial, demographic, health and issues opinion data.

During the Dairy Foundation program planning process, a need for information to base programs on was identified. A dairy industry coalition was formed during 2004-05 which also needed current opinion and concerns of dairy producers in Iowa. ISUE personnel discussed conducting the dairy survey again to update information gathered during the 2000 survey. This update would provide information about ISUE programming impact and outcome needed for USDA reports.

The Dairy Foundation received a grant from the Iowa Department of Economic Development to support survey costs: mailing, survey instrument printing, data entry, purchase statistical analysis software and produce reports.

Materials and Methods

A list of all Iowa milk license permittees was obtained from the Dairy Control Division of the Iowa Department of Agriculture. This list contained the names and addresses of all Iowa dairy farm operators licensed to sell milk including goat and sheep dairies. One half of these dairies were chosen to be surveyed. A serial number was assigned to each entry and a coin tossed to choose serial members ending in either odd or even numbers. Even numbered entries were chosen.

The survey instrument used was an edited version of the 2000 survey instrument. A few questions were added regarding farm operator opinions on the state of Iowa dairy industry and what could be done to change its' direction. Instruments were then mailed to all chosen farms, a reminder card after two weeks, a second instrument to non-respondents, and two more reminder cards. The response rate was more than 44% (476/1166 returned). Returned survey instruments were taken to the Department of Rural Sociology to be coded and entered for analysis by SPSS. Written comments were then copied. Initial data analysis was then conducted by Robert Tigner, ISUE. Further data analysis will be conducted and comparison to the 2000 NE Iowa Dairy Survey will be undertaken.

Results

Average herd size of respondents was 60 cows and 45 heifers. Median herd size was 59 cows with a maximum herd size of 3430 cows (2000: 54 and 1050; expected 2008 based on respondents: 65 and 6500 medians and maximum, respectively). Housing types were: stanchions – 34%; tie stalls – 23%; and free stalls 42%. Parlors types being used with the 42% of freestall herds included: Flat – 5%; swing – 3%; pit in new barn – 17%; pit in old barn – 17%. This indicated some modernization going on in existing facilities. Milk production averaged 62.5 lbs./cow/day or a 20,505 lb. milk rolling herd average. Only 4 % of herds were milking 3 times/day but 54% have adopted shorter dry periods and 21% were using bovine somatotropin (Posilac, Monsanto, Inc.). 13% have a Nutrient Management Plan while 41.5 % had no short or long term manure storage.

Initial data analysis indicates that 55% of Iowa dairy farm operators are concerned about the condition of the industry and 53% believe action should be taken to stabilize the industry. Actions ranked by preference included: 1) beginning farmer programs; 2) state loan guarantee programs; 3) dairy farm youth education; and 4) value added dairy processing. Only 25% agreed that larger dairies are needed but 64% believed larger dairies will come.

Beginning and start up farm operations are needed, but finances and labor were the issues most often agreed to as holding back new dairy operations. Over 60% believed management intensive grazing was a viable start up option.

Iowa State University Animal Industry Report 2006

Current dairy farm operators are willing to facilitate actions that could help beginning dairy farmers overcome some of the issues they face. Along with start up dairy farms, a question was asked about the dairy operators' transition plan for the dairy business. Almost one-fourth of the dairies indicated they would simply quit milking and 21% said they had none. 40% of dairy operators will bring a family member into the dairy business. Some recommendations deemed important by existing producers for future industry success particularly related to beginning dairy farmers were:

- Continue Young Dairy Farmer Educational Series
- Raise dairy career profile (speakers bureau)
- Develop farm models of success for wannabe's
- Take dairy farm models to vo-ag /community colleges
- Identify dairy owners who want to transfer their business which might not continue otherwise
- Identify viable former dairy farm sites
- Work toward dairy farmer adoption of transition plans, including a Beginning Farmer Center
- Set up an "Iowa Beginning Dairy Farmer Venture Capital Fund"

Questions about other dairy industry-wide issues were asked. These included questions about Federal price supports, milk price volatility, land use planning and the environment. Dairy farm operators do not have a uniform opinion or majority opinion on many of the issues often discussed in a variety of formats. Milk price volatility has been extreme in the last 4 years. Policy alternatives that are

preferred are: Do nothing-32%, continue CWT (voluntary supply control)-24%, raise milk support price-20% and set milk production quotas-11%. The CWT program, a voluntary supply management program operated by the National Milk Producers Federation, is viewed by a majority of dairy farm operators as having a positive impact but 39% believed it has had no impact. A majority (54%) of dairy farm operators believe that a Johnes' control program should be started in Iowa, but there was no majority agreement on stray voltage policy or animal ID. A small majority of dairy farm operators agree with adoption of state wide zoning to prevent urban encroachment on agricultural land and over 2/3 approve of local government restrictions on non-farm uses of land in agricultural areas.

Conclusions

Dairy farm operators view beginning dairy farms as an issue that programs and policies which university, community college and possibly the legal community and legislature must address. Dairy operators are also willing to take actions to assist beginning dairy farmers. Models of successful beginning dairy farmers and a beginning dairy farmer venture capital fund could provide the vision and seed capital to re-establish dairy farms in areas of Iowa that have had dwindling dairy farm numbers. The models would provide a vision for owners of empty dairy facilities, as well as beginning dairy operators, with ideas of how the dairy could meet both parties' goals.