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#### A LOOK AT WISCONSIN'S

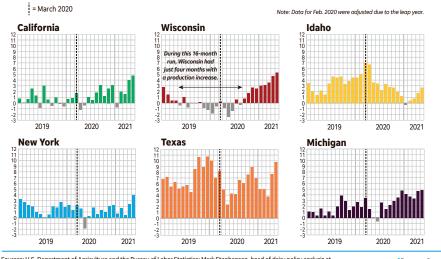
# DAIRY INDUSTRY DURING THE PANDEMIC

### Average monthly price Wisconsin farmers got for 100 pounds of milk from January 2010 to March 2021, in dollars

In 2019, Wisconsin milk prices were recovering from a downturn that lasted more than four years. As the year was nearing its end, prices began to slide once more. Then the pandemic hit, accelerating the drop.



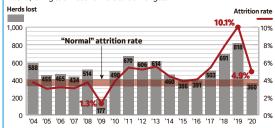
### Percentage change in monthly milk production among the top six dairy states, compared to the same month the previous year



Sources: U.S. Department of Agriculture and the Bureau of Labor Statistics; Mark Stephenson, head of dairy policy analysis at the University of Wisconsin-Madison. Graphic: Yuriko Schumacher and Lou Saldivar / Milwaukee Journal Sentinel

## Number of milk cow herds lost and dairy attrition rate, in percent, 2014-20 in Wisconsin

The University of Wisconsin's head dairy policy analyst Mark Stephenson estimates the "normal" annual attrition rate at 3.5 to 4%. He said 2019 was "a crisis" year as the rate surpassed 10%. Wisconsin farm losses slowed in 2020, falling to almost normal attrition ranges.



The pandemic added another headache for dairy farmers, but the data show last year was not as bad as previous ones. Milk prices had been low since 2015, and were starting to climb in 2019. But when the pandemic hit, prices plummeted. From November 2019 to May 2020, they fell almost 40%.

In the U.S., about half of milk production is consumed outside of homes, from restaurants to schools. That demand suddenly disappeared when cities went into lockdown. Some Wisconsin farmers were forced to dump milk and some co-ops restricted milk production.

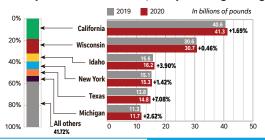
In early 2020, many major dairy states saw cutbacks in production due to the price drop. While some, even then, were able to expand production compared to the same months in the previous year, Wisconsin saw a major decline.

The industry turned the corner in the mid-2020 when demand increased after the government passed COVID stimulus bills that included food-box programs with dairy products. Prices started going back up by July and the loss of Wisconsin dairy farms slowed as well.

But the crisis continues. While milk prices are up, the cost of production has also risen. Wisconsin didn't lose as many farms, but many operators remain worried about the future.

#### 2020 U.S. market share in milk production

# Comparison of the top six U.S. states in milk production, 2019-20, with percentage change



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