The Bradford Era

Number of Michigan dairy farms down 10 percent in 5 years

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April 22, 2019

The number of dairy farms in Michigan has shrunk by 251 over the past five years, a reduction of about 10 percent.

Five years ago, Michigan had 2,409 dairy farms, but the number has now shrunk to 2,158, according to new Census data. But the total number of cows still increased by 65,777. A dairy farm is any farm that has at least one dairy cow.

A reduction in farms is consistent throughout the top ten milk producing states in the country. Michigan is ranked seventh in the U.S. for its milk producing value.

“Due to global pressures and an evolving dairy industry, milk prices over the past four years are low and farmers have faced hardship,” Allison Stuby Miller, communications manager of the Michigan Milk Producers Association, said in an email.

“Unfortunately, many farms have made the difficult decision of selling their cows,” Miller said. “Many times these cows from a closing dairy farm are sold to a neighboring dairy farm. Therefore, the number of total cows in the state has not decreased, but the number of farms has decreased. In the state of Michigan in 2018, the average number of cows per farm is just under 280.”

Along with lower prices caused by a global economy, Miller said that high tariffs have harmed the industry because 15 percent of American-produced milk is exported out of the country.

Miller said that more progress on international trade agreements and support from the federal government are necessary to protect the dairy farm industry.

The Dairy Margin Coverage Program, which was part of the 2018 Farm Bill and subsidizes dairy farmers when milk prices go down, is an example of how the federal government can assist farms, Miller said. She said she hopes the USDA prioritizes this program.

“Dairy exports are a huge boost to the U.S. economy and support dairy farmers of all sizes,” Miller said.

Chris Edwards, an economist for the libertarian Cato Institute, said in a phone interview that removing tariffs can make the American dairy farms globally competitive, but said that the government should not be subsidizing the farms that fail to compete well.

Edwards said that the Dairy Margin Coverage Program, which was previously named the Dairy Margin Protection Program, is in reality a "profit-protection program." He said that most industries face global competition, but that the government doesn't protect their profits if they are beat out by other competition.

New Zealand, Edwards said, repealed all of its farm subsidies and still competes well on the global market. He also pointed to a recent Cato study that showed subsidies can sometimes go to high-earning households and farm households are less likely to need subsidies.

Additionally, the consolidation of farms, Edwards said, is not necessarily bad for the consumer and consolidation tends to be a practice in many other industries.

Other states in the region, such as Minnesota, Wisconsin and Idaho, also had a reduction in farms. Minnesota and Wisconsin lost nearly one-fourth of their total farms.

All of the top 10 milk producing states saw a total reduction in farms. Texas lost the highest percentage of its farms at more than 50 percent.