

Iowa's 2.8% Coalition*

Iowa Dairy Industry Goal and Guiding Principles Through 2010

March 1, 2005

Goal: The primary goal of the Iowa dairy industry is to increase Iowa's share of national milk production from 2.22% to 2.8% by 2010. This will require production per cow to increase to 22,000 pounds (a 634 pound increase per year) and an increase of 26,000 cows.

- * Increase from 3.78 billion pounds to 4.9 billion pounds of milk produced per year.

- * Increase production from 18,800 lbs per cow to 22,000 lbs per cow.

- * **Impact:** Dairy farms are heavy users of local services for their businesses, such as veterinary; feed; trucking; hardware and repair; fuel, oil, and electricity suppliers; labor; and professional services. The economic multiplier for milk production is 2.29 - for every \$1.00 in milk and associated livestock sales another \$1.29 is generated in economic growth. Only dairy processing, with a multiplier of 2.61, is higher. Social multipliers of 2 jobs on farm, 1.4 jobs off-farm, and 1.5 children in local schools are estimated per every 100 cows added.

Guiding Principle 1: The Iowa dairy industry will achieve this primary goal through development, implementation, and coordination of policies and programs (research and education, financial, regulatory, political, and social) that will allow industry growth through:

- * modernization and expansion of existing dairy operations,
- * opportunities for young people and new farmers to enter the dairy business,
- * inviting farm families to be part of the Iowa dairy industry.

Guiding Principle 2: Milk production and processing has a tremendous economic and social impact on local communities. Achieving this primary goal will enhance life in Iowa by:

- * fostering economic development,
- * growing farm-related businesses,
- * diversifying the economy,
- * enhancing the environment,
- * developing human capital, and
- * ultimately by improving the vitality of rural communities.

*Iowa State Dairy Association, Northeast Iowa Community-Based Dairy Foundation, Iowa Farm Bureau Federation, Iowa Dairy Products Association, Western Iowa Dairy Alliance, Iowa Department of Agriculture and Land Stewardship, Iowa Dairy Foods Association, and Iowa State University.