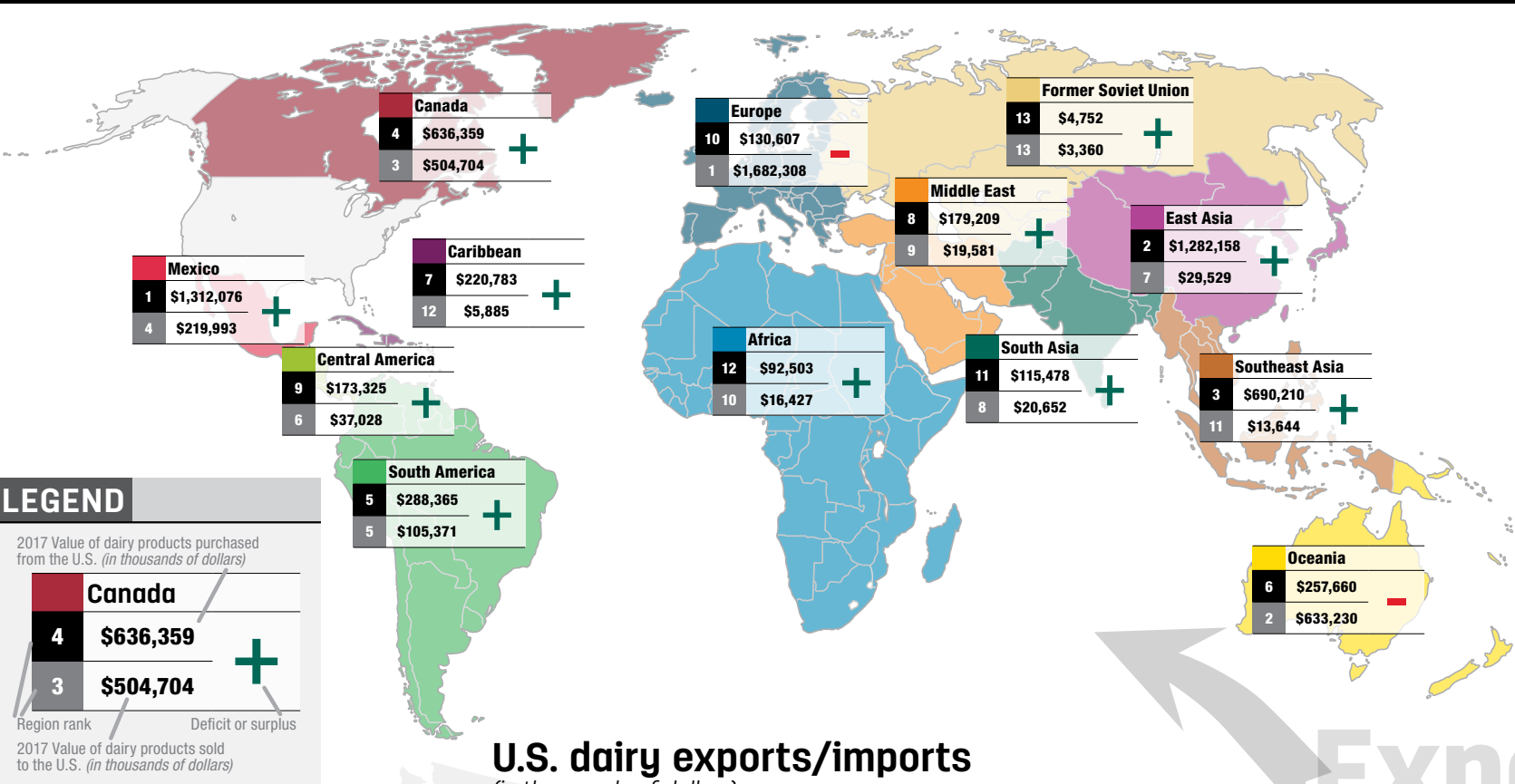


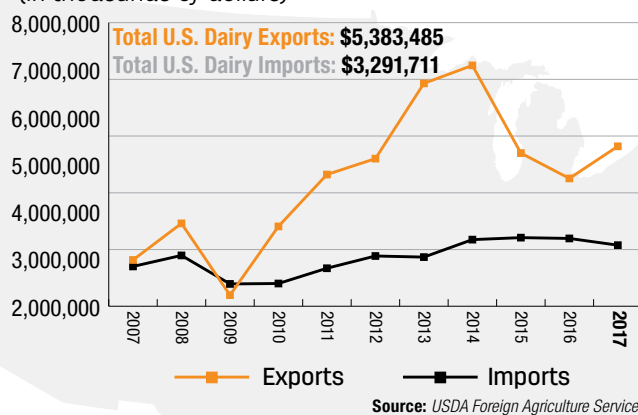
2017 U.S. dairy trade & processing



Top 15 countries selling dairy products to the U.S.

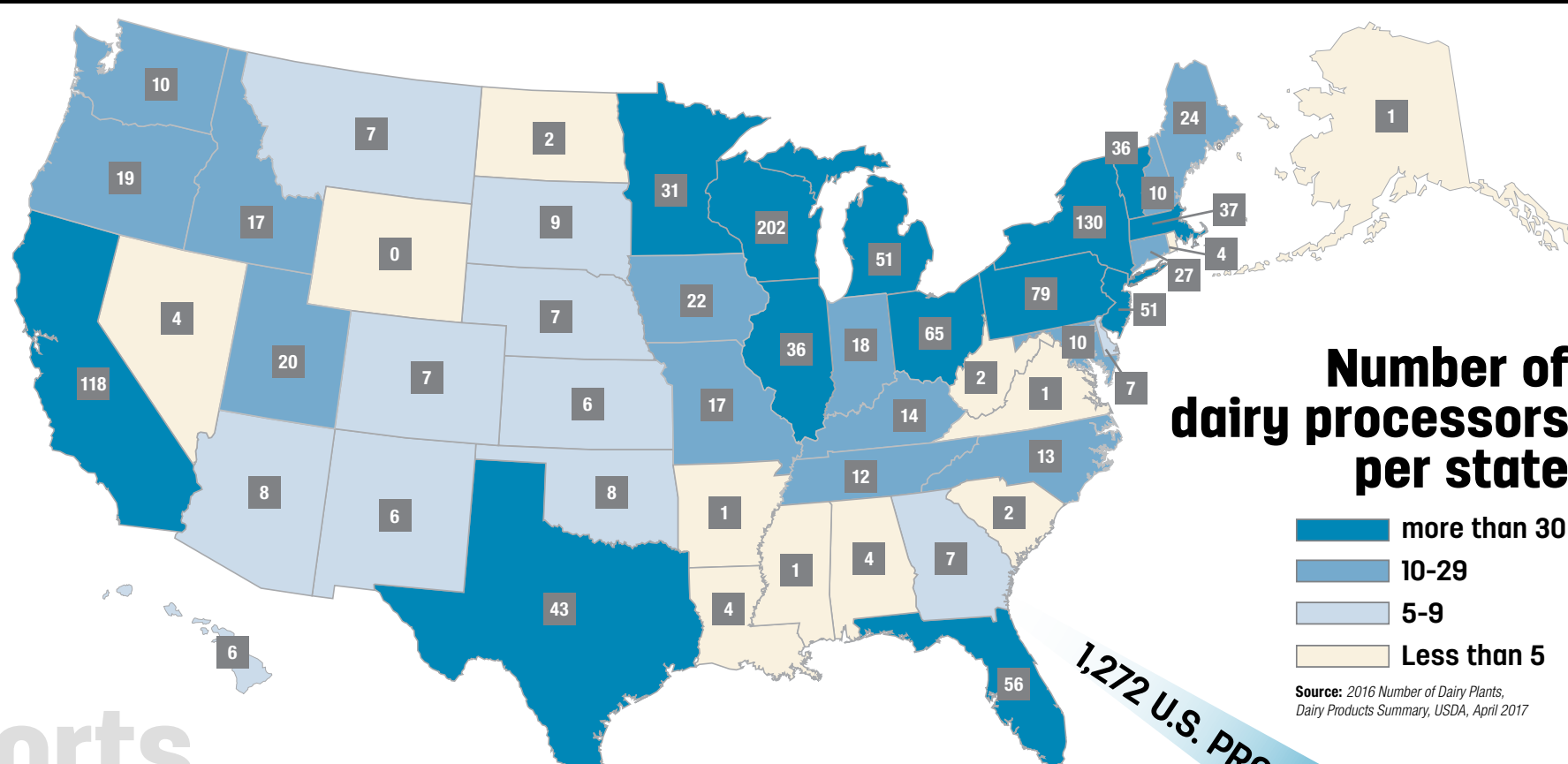
Rank	Country	2017 Imports (in thousands of dollars)
1	New Zealand	590,349
2	Canada	504,704
3	Italy	368,447
4	Ireland	241,512
5	France	229,059
6	Mexico	219,993
7	Netherlands	173,636
8	Germany	114,563
9	Denmark	105,962
10	Spain	98,669
11	Switzerland	80,413
12	Norway	52,847
13	United Kingdom	51,124
14	Chile	45,175
15	Australia	42,774

U.S. dairy exports/imports (in thousands of dollars)

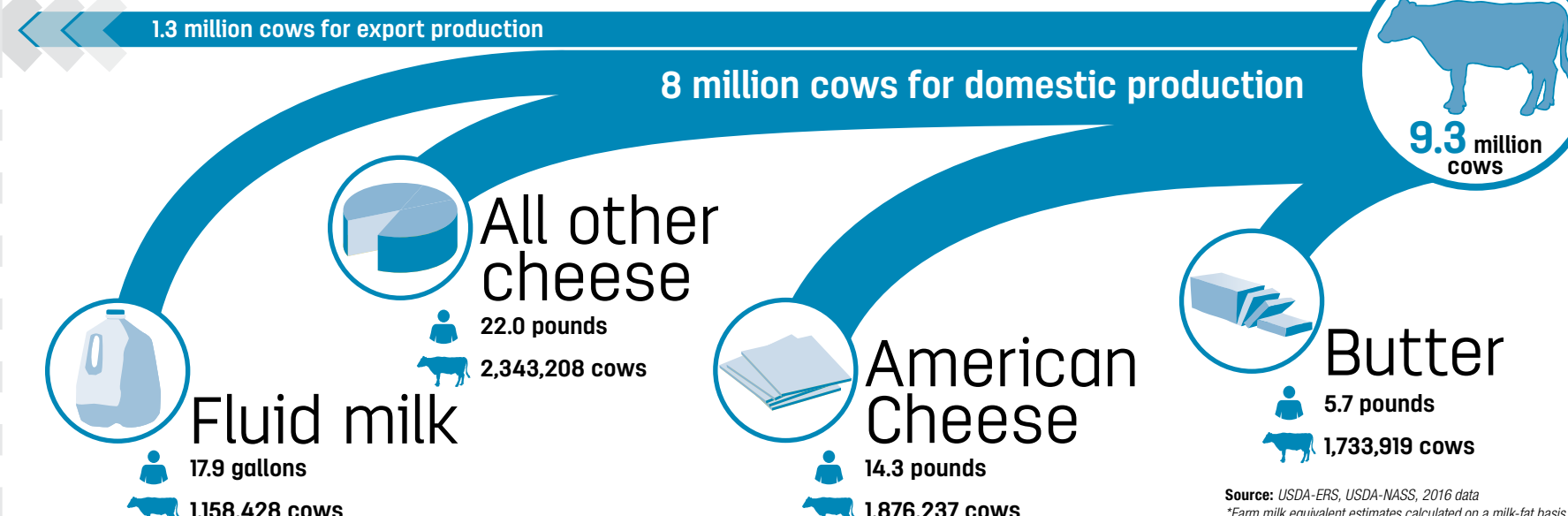


Top 15 countries buying U.S. dairy products

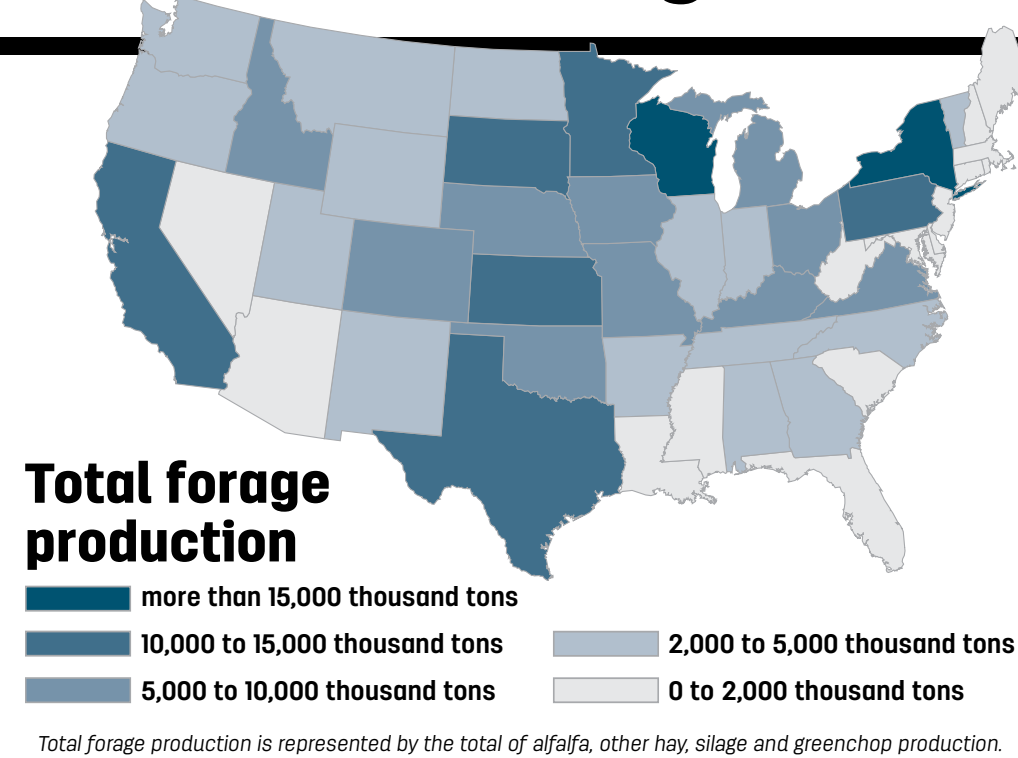
Rank	Country	2017 Exports (in thousands of dollars)
1	Mexico	1,312,076
2	Canada	636,359
3	China	577,079
4	Japan	291,014
5	South Korea	279,758
6	Philippines	243,262
7	Australia	185,216
8	Indonesia	133,127
9	Vietnam	112,376
10	Malaysia	90,152
11	Taiwan	83,463
12	Dominican Republic	78,671
13	Chile	77,881
14	Peru	74,665
15	Saudi Arabia	70,909



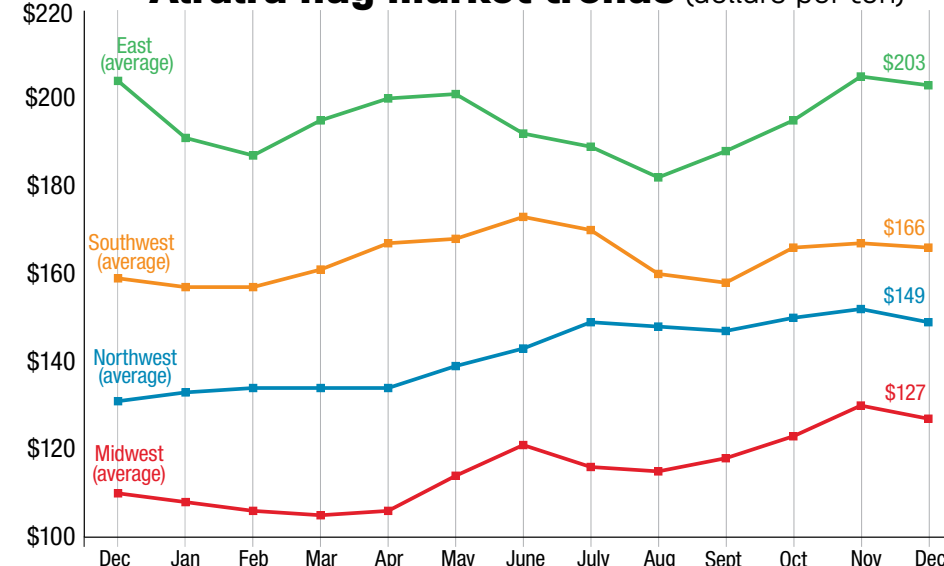
Per-capita consumption of select dairy products (in quantity per person and number of cows required for production)



2017 U.S. forage statistics



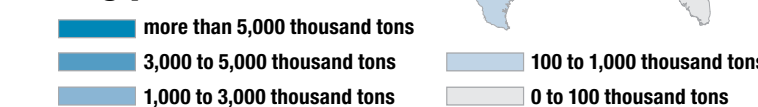
Alfalfa hay market trends (dollars per ton)



States that provided data to NASS were divided into the following regions:
• Southwest: Arizona, California, Nevada, New Mexico, Oklahoma, Texas
• East: Kentucky, New York, Ohio, Pennsylvania
• Northwest: Colorado, Idaho, Montana, Oregon, Utah, Washington, Wyoming
• Midwest: Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin

For market reports updated monthly, visit www.progressiveforage.com/news/hay-market-reports

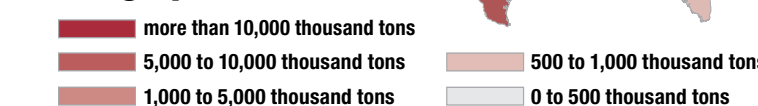
Total alfalfa hay production



Total other hay production



Total corn silage production



Total greenchop production



2017 U.S. dairy statistics

Modest growth but global pressures

Progressive Dairyman Editor Dave Natzke

Relatively speaking, U.S. milk production growth was modest in 2017, up 1.4 percent from 2016. However, increased production elsewhere, especially the European Union, provided downward pressures on global milk prices during the year.

U.S. milk production

U.S. milk production topped 215 billion pounds in 2017, up about 3 billion pounds from 2016 and a record high for an eighth consecutive year. Milk production has exceeded year-earlier totals in 19 of the last 21 years (only 2001 and 2009 were exceptions). Twenty-six states registered annual milk production increases during 2017, up a combined 2.9 percent. However, production in just five states (Texas, New Mexico, Michigan, Colorado and Wisconsin) represented 85 percent of 2017's total growth.

Cow numbers

The U.S. cow herd averaged 9,392 million cows in 2017, up 67,000 head (0.7 percent) from 2016. Compared to a year earlier, the largest growth in cow numbers was in Texas and New Mexico (+50,000 combined), Colorado, Michigan and Arizona added another 24,000 head, combined.

Herd size

With herd numbers shrinking and cow numbers increasing, the national average dairy herd size grew to 234 cows in 2017, up 11 cows (4.7 percent) from 2016. The seven-state Southwest region showed the largest growth in cows per herd, up 44 head, to 1,290. Within that region, herds in Arizona and New Mexico both average more than 2,000 cows. In addition, dairy herds now average more than 1,000 head in seven other states (California, Colorado, Florida, Hawaii, Idaho, Nevada and Texas.) East of the Mississippi River, herds still average well below 200 cows.

Licensed herds

The number of dairy farms commercially licensed to sell milk fell to 40,219 in 2017, a decline of 1,600 (4 percent) from the year before. Declines were largest in the East and Midwest, where 1,520 herds either left the industry or were absorbed into other herds. Wisconsin lost 430 herds during the year, followed by Ohio, New York and Minnesota.

Among other top dairy states, herd numbers were down 3 percent in Michigan, 2 percent in California and Idaho and 1 percent in Pennsylvania, but unchanged in Texas. Wisconsin remains the nation's leader in the number of herds, at 9,090.

Dairy receipts as a % of state's total farm receipts

Nationally, milk production per cow posted a modest 0.7 percent (163 pounds) gain in 2017. Among the leading dairy states, 2017 per-cow production compared to a year earlier was down 213 pounds in California and 269 pounds in Idaho, but up more than 900 pounds in Texas, 481 pounds in New Mexico and 380 pounds in Pennsylvania.

U.S. dairy industry 15-year overview

Year	Total milk production (in millions of lbs)	Number of cows (in thousands)	Milk per cow (lbs per year)	Licensed dairy herds	Average herd size
2003	170,394	9,083	18,760	70,375	129
2004	170,832	9,010	18,960	66,830	135
2005	176,931	9,050	19,550	64,540	140
2006	181,782	9,137	19,895	62,070	147
2007	185,654	9,189	20,204	59,130	155
2008	189,982	9,315	20,395	57,127	163
2009	189,334	9,203	20,573	54,942	168
2010	192,848	9,119	21,148	53,132	172
2011	196,164	9,194	21,336	51,291	179
2012	200,537	9,233	21,720	49,281	187
2013	201,231	9,224	21,816	46,975	196
2014	206,054	9,257	22,259	44,809	207
2015	208,597	9,314	22,396	43,534	214
2016	212,405	9,325	22,778	41,819	223
2017	215,466	9,392	22,941	40,219	234

Milk per cow (lbs of milk)

Top 5	Value
Michigan	26,302
Colorado	26,181
New Mexico	24,960
Arizona	24,680
Idaho	24,378
Bottom 5	Value
Alabama	14,833
Missouri	14,588
Louisiana	13,333
Arkansas	13,167
Alaska	9,667

Number of licensed herds

Top 10	Value
Wisconsin	9,090
Pennsylvania	6,570
New York	4,490
Minnesota	3,210
Ohio	2,380
Michigan	1,750
California	1,390
Iowa	1,200
Indiana	1,070
Missouri	1,040
Top 10	Value
Vermont	60%
New York	50%
Wisconsin	47%
New Mexico	42%
Idaho	33%
Pennsylvania	29%
New Hampshire	23%
Maine	22%
Michigan	22%
Utah	20%

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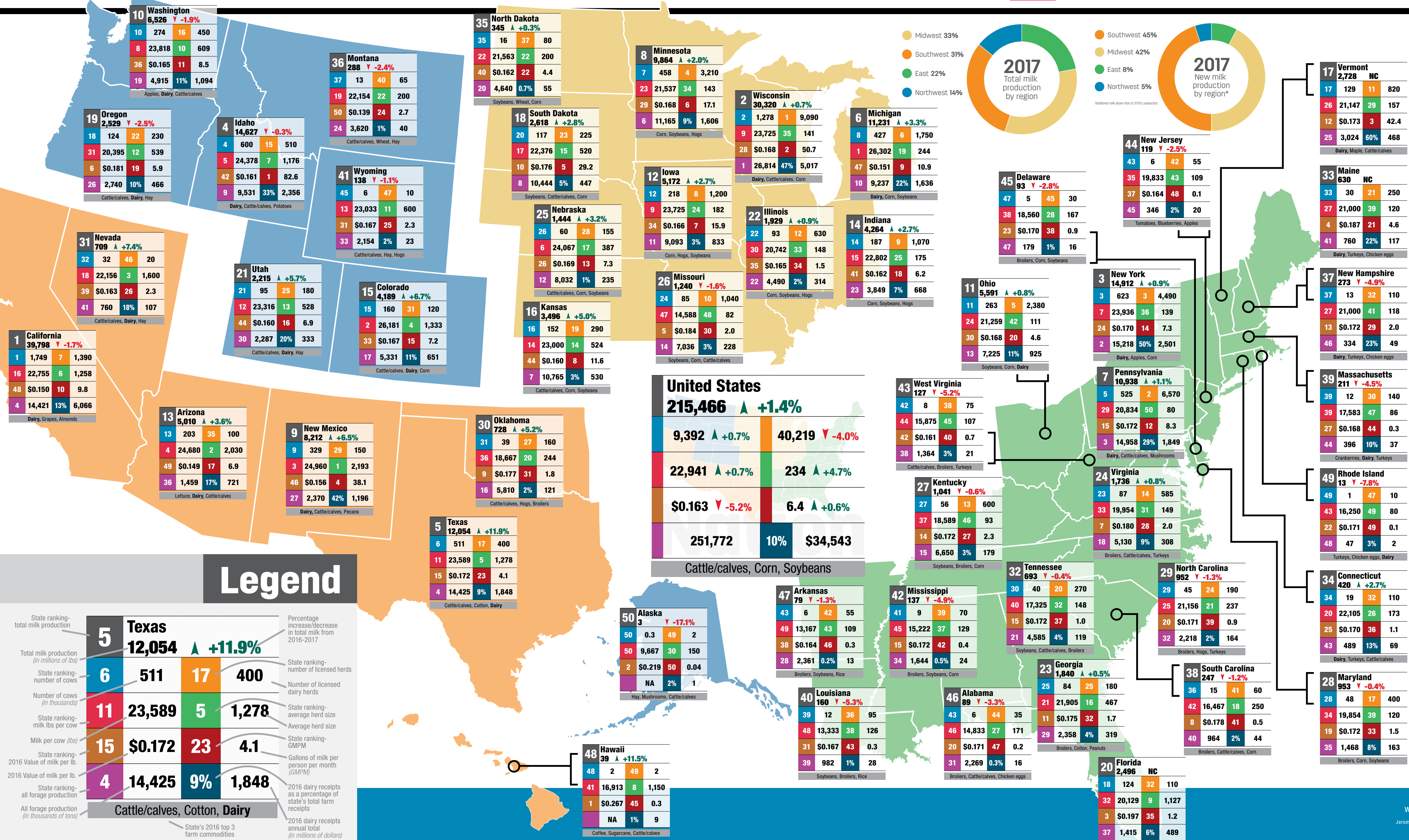
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2017 U.S. dairy statistics

10-year changes by state													
State rank-total milk production	State	Total milk production (in millions of lbs)	Total milk production (in millions of lbs)	Change in total milk from 2007-2017	Number of cows (1,000 head)	Number of cows (1,000 head)	Change in number of cows 2007-2017	Milk per cow (lbs. per year)	Milk per cow (lbs. per year)	Change in milk per cow 2007-2017	Number of licensed dairy herds	Number of licensed dairy herds	Change in licensed dairy herds 2007-2017
2007	2017	2007	2017	2007	2017	2007	2017	2007	2017	2007	2017	2007	2017
1	California	40,683	39,798	+885	1,813	1,749	-64	22,440	22,755	+315	1,960	1,390	-570
2	Wisconsin	24,080	30,320	+6,240	1,247	1,278	+31	19,310	23,725	+4,415	14,170	9,090	-5,080
3	New York	12,103	14,912	+2,809	627	623	-4	19,303	23,936	+4,633	5,770	4,490	-1,280
4	Idaho	11,549	14,627	+3,078	513	600	+87	22,513	24,378	+1,865	665	510	-155
5	Texas	7,384	12,054	+4,670	389	511	+122	18,982	23,589	+4,607	700	400	-300
6	Michigan	7,625	11,231	+3,606	335	427	+92	22,761	26,302	+3,541	2,440	1,750	-690
7	Pennsylvania	10,682	10,938	+256	550	525	-25	19,422	20,834	+1,412	8,010	6,570	-1,440
8	Minnesota	8,656	9,864	+1,208	460	458	-2	18,817	21,537	+2,720	5,070	3,210	-1,860
9	New Mexico	7,290	8,212	+922	332	329	-3	21,958	24,960	+3,002	170	150	-20
10	Washington	5,531	6,526	+995	238	274	+36	23,239	23,818	+579	530	450	-80
11	Ohio	4,980	5,591	+611	275	263	-12	18,109	21,259	+3,150	3,430	2,380	-1,050
12	Iowa	4,278	5,172	+894	213	218	+5	20,085	23,725	+3,640	2,130	1,200	-930
13	Arizona	4,210	5,010	+800	181	203	+22	23,260	24,680	+1,420	120	100	-20
14	Indiana	3,371	4,264	+893	166	187	+21	20,307	22,802	+2,495	1,660	1,070	-590
15	Colorado	2,706	4,189	+1,483	118	160	+42	22,932	26,181	+3,249	170	120	-50
16	Kansas	2,187	3,496	+1,309	110	152	+42	19,882	23,000	+3,118	435	290	-145
17	Vermont	2,531	2,728	+197	140	129	-11	18,079	21,147	+3,068	1,120	820	-300
18	South Dakota	1,641	2,618	+977	85	117	+32	19,306	22,376	+3,070	540	225	-315
19	Oregon	2,233	2,529	+296	115	124	+9	19,417	20,395	+978	310	230	-80
20	Florida	2,104	2,496	+392	125	124	-1	16,832	20,129	+3,297	150	110	-40
21	Utah	1,732	2,215	+483	85	95	+10	20,376	23,316	+2,940	280	180	-100
22	Illinois	1,917	1,929	+12	103	93	-10	18,612	20,742	+2,130	1,060	630	-430
23	Georgia	1,399	1,840	+441	77	84	+7	18,169	21,905	+3,736	280	180	-100
24	Virginia	1,753	1,736	-17	100	87	-13	17,530	19,954	+2,424	745	585	-160
25	Nebraska	1,075	1,444	+369	59	60	+1	18,220	24,067	+5,847	350	155	-195
26	Missouri	1,678	1,240	-438	112	85	-27	14,982	14,588	-394	1,720	1,040	-680
27	Kentucky	1,250	1,041	-209	90	56	-34	13,889	18,589	+4,700	1,120	600	-520
28	Maryland	1,051	953	-98	58	48	-10	18,121	19,854	+1,733	585	400	-185
29	North Carolina	921	952	+31	48	45	-3	19,188	21,156	+1,968	310	190	-120
30	Oklahoma	1,144	728	-416	69	39	-30	16,580	18,667	+2,087	320	160	-160
31	Nevada	553	709	+156	27	32	+5	20,481	22,156	+1,675	25	20	-5
32	Tennessee	999	693	-306	63	40	-23	15,857	17,325	+1,468	590	270	-320
33	Maine	587	630	+43	33	30	-3	17,788	21,000	+3,212	340	250	-90
34	Connecticut	365	420	+55	19	19	NC	19,211	22,105	+2,894	150	110	-40
35	North Dakota	444	345	-99	29	16	-13	15,310	21,563	+6,253	290	80	-210
36	Montana	333	288	-45	18	13	-5	18,500	22,154	+3,654	85	65	-20
37	New Hampshire	290	273	-17	15	13	-2	19,333	21,000	+1,667	130	110	-20
38	South Carolina	322	247	-75	18	15	-3	17,889	16,467	-1,422	80	60	-20
39	Massachusetts	255	211	-44	15	12	-3	17,000	17,583	+583	180	140	-40
40	Louisiana	349	160	-189	29	12	-17	12,034	13,333	+1,299	210	95	-115
41	Wyoming	134	138	+4	7	6	-1	18,831	23,033	+4,202	25	10	-15
42	Mississippi	324	137	-187	21	9	-12	15,429	15,222	-207	170	70	-100
43	West Virginia	195	127	-68	13	8	-5	15,000	15,875	+875	110	75	-35
44	New Jersey	168	119	-49	10	6	-4	16,800	19,833	+3,033	110	55	-55
45	Delaware	113	93	-20	7	5	-2	16,618	18,560	+1,942	50	30	-20
46	Alabama	197	89	-108	13	6	-7	15,154	14,833	-321	70	35	-35
47	Arkansas	220	79	-141	17	6	-11	12,941	13,167	+226	170	55	-115
48	Hawaii	36	39	+3	3	2	-1	12,241	16,913	+4,672	5	2	-3
49	Rhode Island	18	13	-5	1	1	NC	16,455	16,250	-205	15	10	-5
50	Alaska	9	3	-6	0.6	0.3	-0.3	14,667	9,667	-5,000	5	2	-3
U.S. total		185,654	215,466	+29,812	9,189	9,392	+203	20,204	22,941	+2,737	59,130	40,219	-18,911

Source: February 2017 Milk Production Report, USDA
Statistical ties are represented by the same numerical ranking.

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Source: Note: May 2017 California & Federal Milk Marketing Data, USDA
This data represents only one month of federally marketed milk production. It may not accurately reflect a county's annual milk production and does not account for milk disposed due to price.