

The Economic Impact of the Dairy Industry in South Dakota 2012

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The Industry in 2012

- * 92,000 cows
- * 1.96 billion pounds of milk marketed
- * \$388,090,000 in revenue from milk sales
- * \$38,546,988 in cull cow and calf revenue
- * Estimated gross income \$426,644,988

Comparison to 2008

- * 94,000 cows in 2008
- * \$344,564,000 in revenue from milk
- * \$17,360,000 in cull cow and calf revenue
- * \$361,924,000 estimated gross income in 2008

Why?

- * 172 million more pounds of milk marketed
- * Cull cow prices increased from \$40/cwt in 2008 to \$81/cwt in 2012
- * Milk price increased from \$19.10/cwt to \$19.70/cwt

Impacts

- * Direct—gross revenue generated in the industry
- * Indirect—business to business activity, businesses supplying inputs into the dairy industry
- * Induced— household spending as a result of the economic activity in the dairy industry

Output

- * Direct--\$426,644,988
- * Indirect--\$145,702,854
- * Induced--\$75,088,748
- * Total--\$647,436,590
- * Multiplier—1.52
- * Total output per cow--\$7,037.35

Employment

- * Direct—746.73
- * Indirect—527.19
- * Induced—666.75
- * Total—1,940.67
- * These are calculated full time equivalent jobs

Taxes on Production and Imports

- * Includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes and special assessments
- * Direct -\$2,800,881
- * Indirect \$3,956,232
- * Induced \$4,365,733
- * Net taxes, subsidies subtracted out
- * Total \$5,521,085

Processing and Manufacturing Output

- * Fluid milk and butter, dry condensed and evaporated product manufacturing, cheese
- * Direct--\$868,600,814
- * Indirect--\$713,388,038
- * Induced--\$135,526,721
- * Total--\$1,717,515,573

Employment

- * Direct—895
- * Indirect—2,271
- * Induced—1,123
- * Total—4,289

Taxes on Production and Imports

- * Direct--\$253,519
- * Indirect--\$14,928,211
- * Induced--\$7,856,058
- * Total--\$23,037,058

Feed Consumption

- * 927,360 tons of forage, corn or hay based
- * 11,340,172 bushels of corn
- * 74,250 tons of DDG
- * 31,050 tons of SBM

Total Impact of the Dairy Industry

- * Output--\$2,364,952,163
- * Employment—6,230
- * Tax on production and imports--\$28,558,873
- * Total impact per cow \$26,293.76