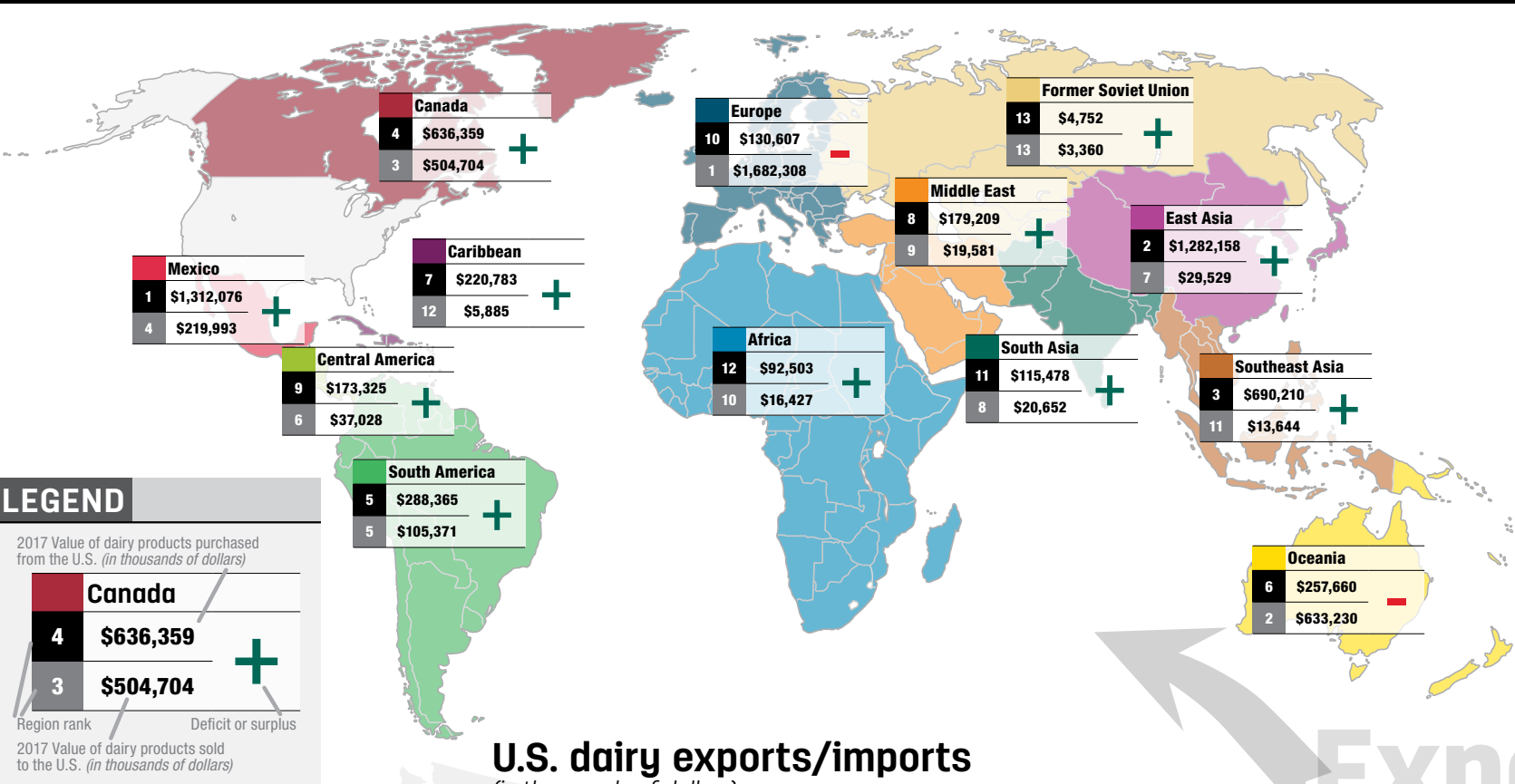


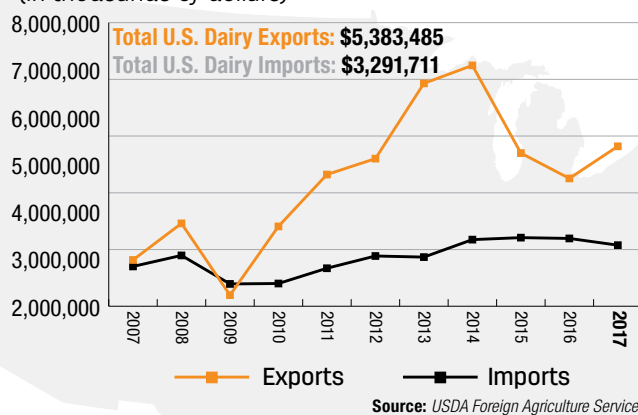
2017 U.S. dairy trade & processing



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

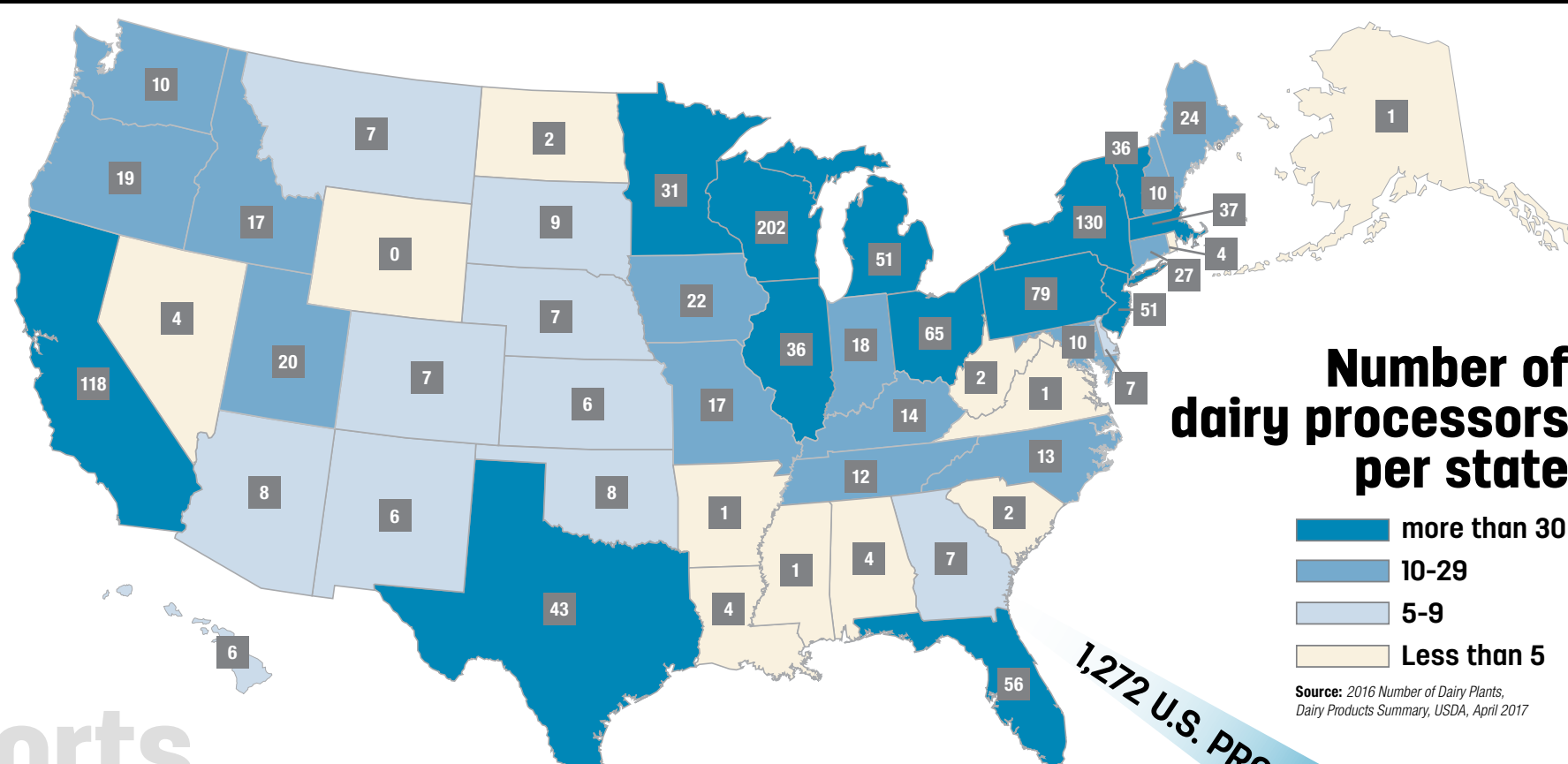
Rank	Country	2017 Imports (in thousands of dollars)
1	New Zealand	590,349
2	Canada	504,704
3	Italy	368,447
4	Ireland	241,512
5	France	229,059
6	Mexico	219,993
7	Netherlands	173,636
8	Germany	114,563
9	Denmark	105,962
10	Spain	98,669
11	Switzerland	80,413
12	Norway	52,847
13	United Kingdom	51,124
14	Chile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

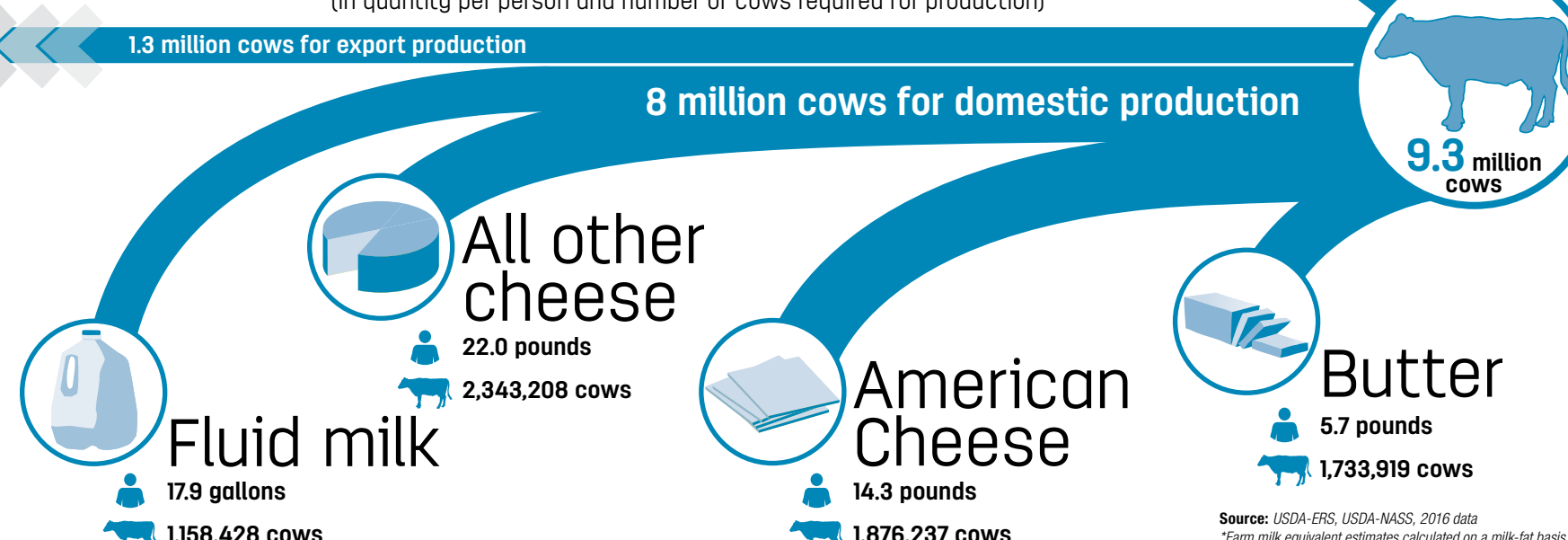


Number of dairy processors per state

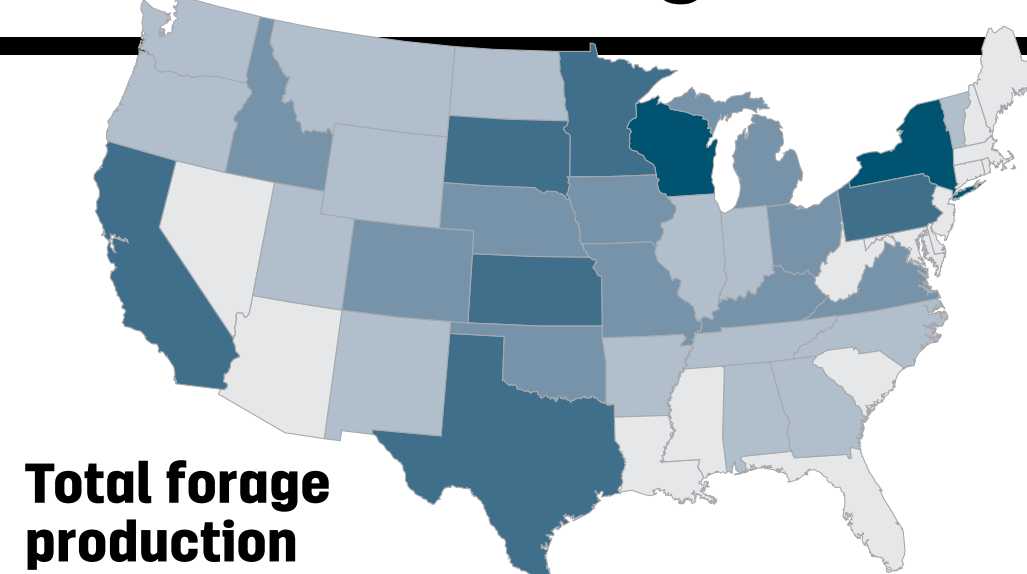
- more than 30
- 10-29
- 5-9
- Less than 5

Source: 2016 Number of Dairy Plants, Dairy Products Summary, USDA, April 2017

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



2017 U.S. forage statistics

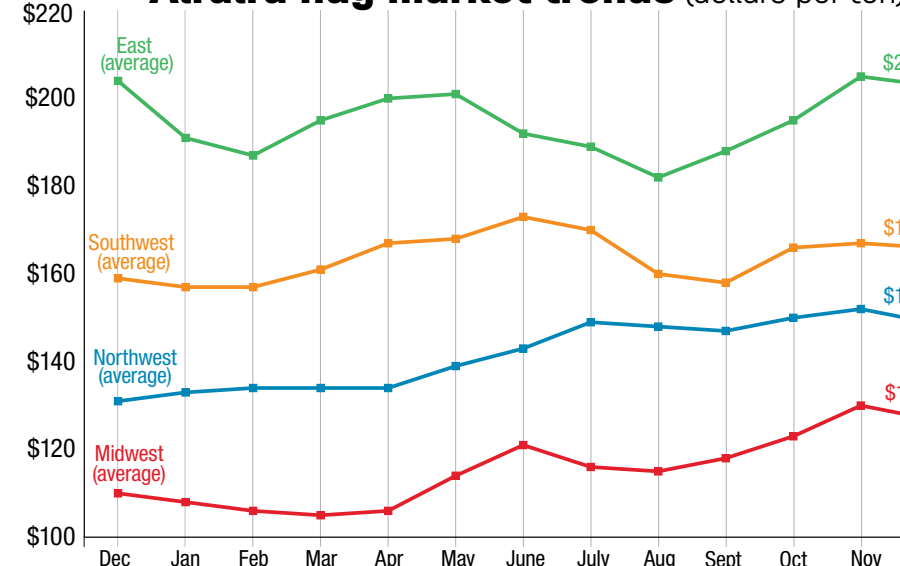


Total forage production

- more than 15,000 thousand tons
- 10,000 to 15,000 thousand tons
- 5,000 to 10,000 thousand tons
- 2,000 to 5,000 thousand tons
- 0 to 2,000 thousand tons

Total forage production is represented by the total of alfalfa, other hay, silage and greenchop production.

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

- more than 5,000 thousand tons
- 3,000 to 5,000 thousand tons
- 1,000 to 3,000 thousand tons
- 100 to 1,000 thousand tons
- 0 to 100 thousand tons

Total other hay production

- more than 5,000 thousand tons
- 2,000 to 5,000 thousand tons
- 1,000 to 2,000 thousand tons
- 500 to 1,000 thousand tons
- 0 to 500 thousand tons

Total corn silage production

- more than 10,000 thousand tons
- 5,000 to 10,000 thousand tons
- 1,000 to 5,000 thousand tons
- 500 to 1,000 thousand tons
- 0 to 500 thousand tons

Total greenchop production

- more than 5,000 thousand tons
- 1,000 to 5,000 thousand tons
- 500 to 1,000 thousand tons
- 0 to 500 thousand tons
- no data reported

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

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.

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.

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

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

Milk per cow (lbs of milk)		Number of licensed herds		Dairy receipts as a % of state's total farm receipts	
Top 5		Top 10		Top 10	
Michigan	26,302	Wisconsin	9,090	Vermont	60%
Colorado	26,181	Pennsylvania	6,570	New York	50%
New Mexico	24,960	New York	4,490	Wisconsin	47%
Arizona	24,680	Minnesota	3,210	New Mexico	42%
Idaho	24,378	Ohio	2,380	Idaho	33%
Bottom 5					
Alabama	14,833	Michigan	1,750	Pennsylvania	29%
Missouri	14,588	California	1,390	New Hampshire	23%
Louisiana	13,333	Iowa	1,200	Maine	22%
Arkansas	13,167	Indiana	1,070	Michigan	22%
Alaska	9,667	Missouri	1,040	Utah	20%

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