



# DAIRY

Kansas is one of the fastest growing dairy regions in the U.S. in terms of milk production, due to a variety of factors that make the state a prime location for dairy operations. Land availability, a ready supply of feed, and an ideal climate provide a good foundation for dairy growth, and the efforts being made toward proactive water policies enhance the viability of future dairy farm expansion. Recent additions to processing operations within the state have significantly increased the ability for dairy farmers to process their product within the state, rather than exporting milk for processing. Several facilities within Kansas have actively worked to develop innovative strategies to add value to their product and to minimize their water use in order to increase efficiency and long-term viability.

Despite the growth seen in recent years, several challenges remain which serve as barriers to future dairy expansion. Water rights continue to be in demand in many areas of the state, and obtaining land with sufficient water rights can be difficult. Attracting

a qualified workforce is a continual concern, as well as managing the challenges of an immigrant workforce. Issues of wastewater disposal and transportation impact the dairy industry on a regular basis. Opportunities to grow as a result of exports are impeded by fluctuating prices and international policies that affect milk products.

To build on the factors that have led to success in the dairy industry and to overcome these barriers to future growth will require collaboration among the public and private stakeholders in the industry. Identifying new technologies and strategies to conserve water in regions of Kansas that would be conducive to new dairies would positively impact the dairy industry, and adjustments to transportation policy could have a similar impact. Increased focus on education and workforce issues specific to the dairy industry could also enhance possibilities for growth of the dairy sector in Kansas.

# Status

Kansas is the 16th-ranked dairy state for milk production and is home to 175,000 dairy cows on 193 dairy farms. Roughly 80 to 85% percent of the milk produced in the state is produced in western Kansas on 29 large farms that originated since 1994. Milk processing capacity has grown in the state since 2012 with the addition of processing facilities in Rexford, Garden City and Hugoton. There are also milk plants of recognizable size in Hutchinson and Wichita.

Kansas has consistently ranked as one of the fastest growing dairy states. Kansas has established itself as a prime location in the U.S. for dairies with its abundant land, feed supply, ideal climate, proactive water policies, and positive business environment. Milk production in Kansas has doubled since 1994 and is now a one-billion-dollar industry.

According to a Kansas Department of Agriculture IMPLAN economic model, the estimated direct impact of the dairy cattle and milk production sector is \$708.67 million in output and 905 jobs. Including indirect and induced effects, the total impact of the sector on the Kansas economy reaches \$1.4 billion in output and 3,577 jobs.

# Successes

- Hilmar Dairy broke ground in Dodge City for a state-of-the-art cheese manufacturing plant that will take in approximately 8 million pounds of milk daily. It is expected to be fully operational in fall 2024.
- McCarty Dairy in northwest Kansas expanded operations in 2023 to include twin 120-stall rotary milking systems.
- Hildebrand Farms Dairy in north central Kansas was recognized by the International Dairy Foods Association as the 2022 Innovative Dairy Farm of the Year.
- Kansas is a national leader in the development of Secure Milk Supply plans at dairy operations. Ten Kansas dairy operations/facilities with 97,483 head of cattle have completed Secure Milk Supply Plans (site-specific biosecurity plans) as of spring 2023.
- Southwest Kansas is home to the largest single-dryer dairy processing plant in North America, which received the Sustainable Plant of the Year award in 2018.
- Since 2008, Kansas dairies have increased milk production by 71.5 percent.
- Kansas has increased its national presence in the dairy industry by participation in three national trade shows, engaging with 10 dairy operators interested in relocation.
- Kansas dairies have been regularly selected to be featured as virtual farm tours at the World Dairy Expo.
- KSU, industry partners, and KDA are partnering to design a new state-of-the-art K-State dairy research facility that will include expansion to 500 milking cows and robotics.
- In 2012, a dairy in northwest Kansas constructed a new milk condensing facility to add value to their milk for a direct marketing partnership with an international company. The farm now condenses the milk from their farms to approximately 30 percent of original volume and ships it to processing facilities in Texas in a cost-plus model.