

## Milk Prices Rise As Dairy Farms Disappear

Florida's human population is growing but the state has fewer dairy farms and cows, according to UF researchers, who say retailers may need to rely more on out-of-state milk in the summer and fall when local supplies run dry.

Milk prices are also expected to rise slightly this year, mostly due to increased demand, said Russ Giesy, a UF dairy extension agent in Bushnell. Giesy is co-author of the 2007 Florida Dairy Farm Situation and Outlook, an annual report that compiles data from surveys of Florida dairy farmers on revenues, expenses and investments.

"The overall per-capita demand for milk hasn't changed, but we have more residents," Giesy said. "We need the Florida dairy industry to grow, not retract, to supply that milk."

The report shows Florida with about 130,000 dairy cows in December 2006, down from 152,000 in early 2002. Florida has about 150 dairy farms but that number has been

declining about 6 percent each year.

The state's milk production has gradually declined as well, according to the Florida Agricultural Statistics Service. Total production was down from 2.46 billion pounds in 2000 to 2.27 billion pounds in 2006.

About 86 percent of Florida-produced milk is sold as drinking milk, the rest is used to make cheese, butter and whey products, Giesy said.

The state's dwindling dairy herd is mainly the result of smaller farms closing, he said. With land values booming, many farmers choose to sell their property to developers, sometimes earning \$10,000 an acre, far more than the land is worth for agricultural production.

"The cost of production in Florida is going up, profit margins are getting narrower, which requires that producers modify continuously to come up with more efficient methods," Giesy said.

Production costs in Florida can run 25 percent higher than the national average, said Albert De Vries, a UF animal sciences assistant professor and

co-author of the report. A large part of the extra expense is due to Florida's hot, humid climate, which reduces milk production unless climate-control technology is used. Feed costs are also higher in Florida because farmers use large quantities of corn hauled from the Midwest.

"Corn is the big new looming issue," De Vries said. "Corn prices are up, nearly double from last year."

Demand for corn used to make ethanol fuel has driven up demand for the grain used to feed cows, and speculation has pushed prices higher, Giesy said.

Though production costs are rising, revenues have not kept pace, the report said.

The average cost of producing 100 pounds of milk in 1996 was \$18.51, compared to \$20.18 in 2005, according to the report. But farmers received an average of \$18.32 for that 100 pounds in 2005, virtually the same price as in 1996 — \$18.39.

Russ Giesy, [rgiesy@ufl.edu](mailto:rgiesy@ufl.edu)  
 Albert De Vries, [devries@ufl.edu](mailto:devries@ufl.edu)

*Tom Nordlie*

*Albert De Vries checks dairy cattle at UF's Dairy Research Unit in Hague.*



*Josh Wickham*



Dr. Bernie Machen  
*President*

Dr. Win Phillips  
*Vice President for Research*

**Board of Trustees**

Carlos Alfonso, Tampa  
C. David Brown, Orlando  
Courtney Cunningham, Pinecrest  
Roland Daniels, Gainesville  
Manny A. Fernandez, Fort Myers  
W.A. "Mac" McGriff III, Jacksonville  
Joelen Merkel, Ocean Ridge  
Dianna Fuller Morgan, Orlando  
Ryan Moseley, Gainesville  
Cynthia O'Connell, Tallahassee  
Earl W. Powell, Miami  
Alfred C. Warrington IV, Houston TX  
Richard A. Yost, Gainesville

*Explore* is published by the UF Office of Research. Opinions expressed do not reflect the official views of the university. Use of trade names implies no endorsement by the University of Florida.  
© 2007 University of Florida.  
[rgp.ufl.edu/explore](http://rgp.ufl.edu/explore)

Editor:  
Joseph M. Kays  
[joekays@ufl.edu](mailto:joekays@ufl.edu)

Art Director  
Katherine Kinsley-Momberger

Design and Illustration:  
Paul Messal

Copy Editor:  
Patricia B. McGhee



Printing:  
StorterChilds Printing, Gainesville

Member of the University Research Magazine Association  
[www.urma.org](http://www.urma.org)

# Explore

Summer 2007, Vol. 12, No. 2

Research at the University of Florida



**ABOUT THE COVER:**

UF researchers are pursuing many forms of renewable energy — including ethanol, solar and nuclear power, and fuel cells — aimed at reducing human's carbon footprint.

**Waste Not, Want Not**

UF researchers are refining the process they invented for turning all kinds of plant material into the automotive fuel of the future.



**10**

**Finding Fission**

Soaring demand for electricity and concern about global warming have sparked new interest in UF's nuclear engineering program.



**16**

**4** EXTRACTS  
*Research Briefs*