

Whatcom County Milk a Hit Overseas

With our climate, soils, cows and farmers we have a perfect environment for producing milk. Depending on the year, Whatcom County has had the highest average milk production per cow in the United States thanks to the superb job done by our cows and farmers. Most of our milk is marketed through Darigold, a farmer owned, North West cooperative. In addition we also have farmers such as Twin Brook, Edaleen, Jackie's Jerseys, Breckenridge Farms, and Fresh Breeze that direct market and thereby capture more value for the milk they produce. And we also have three organic producers such as Fresh Breeze which receive premium prices for their milk marketed through, for example, Organic Valley.

But in this column we want to briefly feature the importance of global connections and how they assist in sustaining Whatcom county dairymen. With increasing population levels, albeit at a slowing rate, significant increases in income levels, and the corresponding rise in disposable incomes around the world, world consumption of dairy products has significantly increased. Consequently substantial international market opportunities are growing for dairy products. Of course our local dairy producers are just one part of the larger, US dairy industry. Nevertheless, the expanding global market broadens the customer base for our producers through their farmer owned cooperative -Darigold. New Zealand still dominates the world export markets for dairy products, but we've shown we can compete with the Kiwis.

In 2010 our farmers produced about 1 billion lbs. of milk. Much of that milk was processed at the Lynden powder plant which in turn was almost all exported. In 2010 that accounted for around 12 percent of all US powder exports – not an insignificant amount. Because of its particular, intensive management practices, the Lynden powder plant is known in international markets for its low scorching which helps in maintaining the competitiveness of our milk. South East Asia, for example, countries such as Malaysia, the Philippines, and Indonesia are important destinations for the Whatcom County product. North Africa, Eastern Europe, Latin America are other important destinations for Darigold milk products. In South East Asia our customers are makers of infant formula, local dairy companies, bakeries and confectioneries. In 2010 exports accounted for on the order of \$140 – 145 million in sales at the farm gate.

International markets won't solve all of the problems facing dairymen in our County. Growing feed costs challenge profitability right now. For example, the price of corn is particularly problematic which is in part driven up by an ill conceived ethanol program that particularly accelerated since the signing of the Energy Policy Act of 2005. Still with so many people moving out of poverty around the world and wanting to improve their diets the international markets broaden and diversify the demand for our milk and in turn importantly contribute to sustaining agriculture in Whatcom County and keeping our farmers farming. We are proud of the role of our dairy producers in meeting world food needs.

Farm Friends
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