

Maryland's Dairy Industry: 2022

A Report
To
Governor Larry Hogan

From
The Maryland Dairy Industry Oversight and Advisory Council

2022

Members of the Dairy Advisory Council

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Summary

This report to Governor Larry Hogan is an assessment of the current state of the dairy industry in Maryland as well as policy recommendations to support the sector. It represents the recommendations of a committee that includes milk processors, dairy farmers, dairy cooperative leaders, Maryland Farm Bureau members, Maryland Grange members, and consumers, as well as representatives from state and local health departments, agriculture departments, the Maryland Department of Agriculture (MDA), the General Assembly, and University of Maryland officials.

The Governor's Maryland Dairy Industry Oversight and Advisory Council (Council) is charged with improving and sustaining the economic viability of Maryland's dairy industry and reporting annually to the Governor.

2022 brought volatile input costs to dairy farmers

The U.S. Department of Agriculture (USDA) reported in September 2022 that the all-milk price forecast for 2022 is \$25.45 per hundredweight (cwt). The all-milk price forecast for 2023 is \$22.70 per cwt. These are strong prices. Milk production forecasts for both 2022 and 2023 have been lowered based on lower expected milk cow numbers and steady yield per cow. Export forecasts have been raised, mainly due to anticipated strong demand from international markets and competitive U.S. prices.

USDA research on the cost of milk production in Maryland and other states in the region shows that on average, farmers make \$4.18 per cwt of milk produced currently. Production costs were up significantly in 2022 due to worldwide shortages caused by shipping disruptions and issues caused by the war Russia launched against Ukraine. Higher costs have all but wiped out income gains to farmers from higher milk values.

The number of Maryland dairy farms continues to fall. As of the writing of this report in September 2022, the Maryland Department of Health (MDH) regulates 312 dairy farms in the state, down from 322 last year. A decade ago, there were 505 dairy farms. Broken down by county:

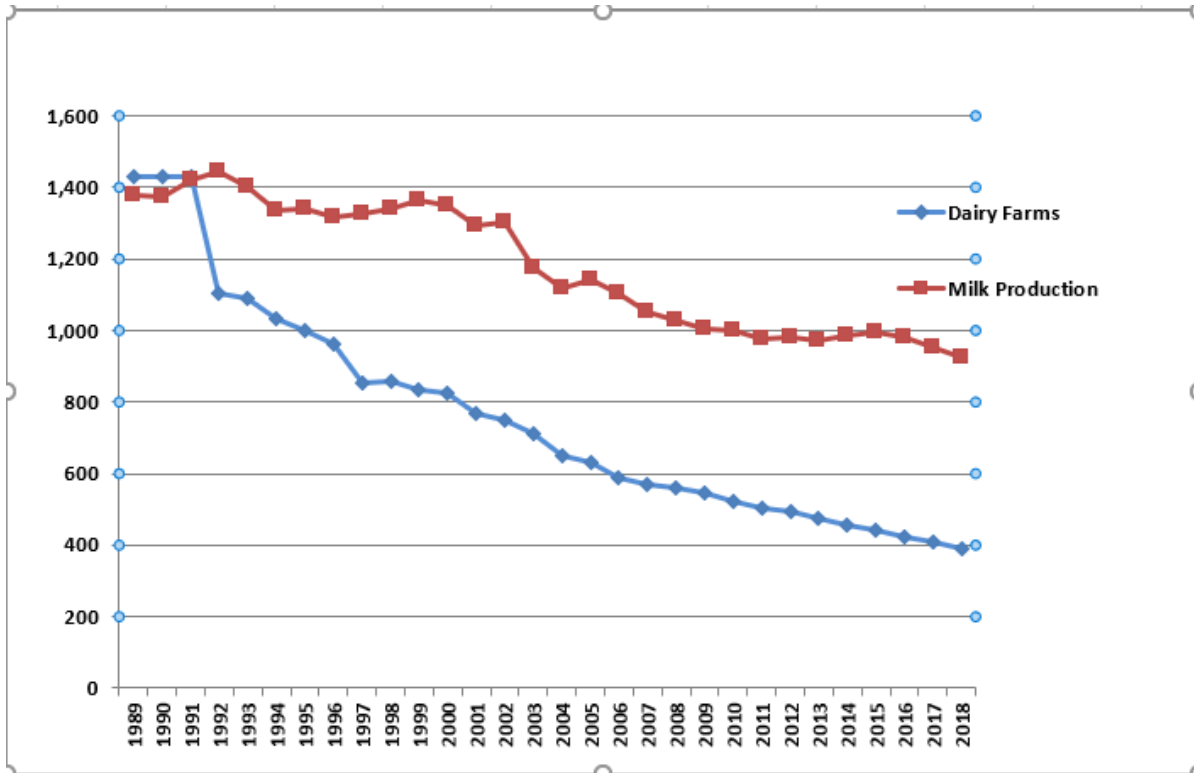
Baltimore County - 7	Kent County - 7
Caroline County - 5	Montgomery County - 4
Carroll County - 21	Prince George's County - 2
Cecil County - 31	Queen Anne's County - 5
Charles County - 3	St. Mary's County - 15
Frederick County - 50	Talbot County - 4
Garrett County - 39	Washington County - 100
Harford County - 16	Worcester County - 1
Howard County - 2	

As with many parts of agriculture in Maryland, the dairy industry faces challenges as farmers age out of production. According to USDA, the average age of farmers is now 57.5.

Governor Hogan again supported dairy farmers in 2022 with a cost share on producers' participation in the Farm Service Agency's Dairy Margin Coverage program. MDA paid \$631,725 to pay premiums for the 192 dairy farms that took advantage of the USDA program in 2022.

Maryland's current milk processing capacity includes 41 operations (Attachment 2). There are six large, commercial dairy processors. The rest are smaller, on-farm processors. Processors in the state annually process more than 10 billion pounds of milk, according to MDH and the Federal Milk Market Order. More than 40,000 loads of milk are hauled from farms throughout the mid-Atlantic to Maryland processors each year. Final products of all types are shipped throughout the nation and the world from Maryland. One plant, Nestle Dreyer's Ice Cream in Laurel, is among the largest ice cream factories in the world.

Number of Maryland Dairy Farms, Production of Milk in State



Milk production has been in a steady decline as well, though not as severe as productivity of existing dairy farms has made up some of the difference. In 2021 milk production fell by 3 million pounds to 875 million pounds, worth \$158 million. In 2010, Maryland dairy farms produced more than 1 billion pounds of milk, worth \$184 million. As of June 2022, 458 million pounds have been produced in 2021.

The Advisory Council recommends that Governor Larry Hogan, the General Assembly and relevant state agencies:

1. Continue to prohibit the sale of raw milk for human consumption in Maryland.
2. Promote the importance of the Maryland dairy industry to the general public.
3. Oppose the marketing of plant-based beverages as ‘milk.’
4. Encourage the use of flavored and full fat milk in schools.

Recommendation 1:

The Governor and the General Assembly should continue to prohibit the sale of raw milk directly to Maryland consumers for human consumption.

The Council is certain that the health risks associated with raw milk consumption are based on well-documented, sound science, and repeats its recommendation against allowing the sale of raw milk directly to consumers for public consumption. Pathogens in milk can cause very serious, sometimes life-altering conditions, and sometimes even death.

The only method proven to be reliable in reducing the level of pathogens in milk and milk products is proper pasteurization. Should raw milk be allowed for sale directly to the consumer, MDH anticipates an increase in the number of milk-related outbreaks, and will likely incur more costs and require additional staffing for the routine regulation of raw milk as well as in the investigation and control of these outbreaks.

Recommendation 2:

MDA and other state entities should promote the value and importance of the state’s dairy industry to the general public.

MDA’s Marketing program should continue to work with Maryland Public Television’s Maryland Farm & Harvest to encourage episodes on the dairy industry. As of 2021, 25 segments of the program have featured dairy farmers. Also, the state’s Farm to School program should continue to celebrate dairy farming with the state’s school children. Additionally, Maryland Agricultural Education Foundation should be supported in its mission to explain agriculture to educators and school children.

Recommendation 3:

MDA should work with the U.S. Food and Drug Administration (FDA) to ensure that plant-based beverages are not marketed as milk.

FDA has been reviewing this issue since 2018. In a letter in response to a letter from the National Association of the State Departments of Agriculture in October 2020, FDA said *“FDA has completed its review of the approximately 13,000 comments we received in response to the September 2018 notice. We are now reviewing the data, research, and information provided in those comments to provide clarity around the labeling of plant-based dairy alternatives, a priority for the FDA. FDA is also considering citizen*

petitions it has received related to this issue. We also note that there are First Amendment considerations that must be taken into account when providing clarity around the use of names of dairy foods in the names of plant-based dairy alternatives.

Recommendation 4:

The State of Maryland should work to increase access to higher fat milk in schools, as higher fat milk is better tasting and more likely to be consumed by children.

Research published in February 2020 in the academic journal, *The American Journal of Clinical Nutrition*, concludes “Observational research suggests that high cow milk fat intake is associated with lower childhood adiposity. International guidelines that recommend reduced fat milk for children may not lower the risk of childhood obesity.”
doi.org/10.1093/ajcn/nqz276

Attachment 1

Maryland Dairy Processors

ASTI ICE LLC	1752A APPLETON ROAD	ELKTON
ATWATER'S	2905 WHITTINGTON AVE	BALTIMORE
BROOMS BLOOM DAIRY	1616 S FOUNTAIN GREEN RD	BEL AIR
CHAPELS COUNTRY CREAMERY	10380 CHAPEL RD	EASTON
CHERRY GLEN FARM INC	16120 BARNESVILLE ROAD	BOYDS
CHESAPEAKE BAY DAIRY	4111 WHITESBURG RD	POCOMOKE
CLEAR SPRING CREAMERY	14322 ST PAUL RD	CLEAR SPRING
CLOVER HILL DAIRY	27925 WOODBURN HILL RD	MECHANICSVILLE
CLOVERLAND FARMS DAIRY	2701 LOCH RAVEN RD	BALTIMORE
CREATIVE CAKES LLC	8814 BROOKVILLE RD	SILVER SPRING
DAIRY MAID DAIRY LLC	259 E 7TH ST	FREDERICK
DELITEFUL DAIRY	16230 LONG DELITE LN	WILLIAMSPORT
DUMSERS DAIRYLAND INC	501 S PHILADELPHIA AVE	OCEAN CITY
FIREFLY FARMS INC	107 S MAIN ST	ACCIDENT
FRUMEX PALETAS LLC	5921 MORAVIA PARK DRIVE, UNIT C-4	BALTIMORE
GEMMA GELATO	1088 TAFT ST	ROCKVILLE
HIGH COUNTRY CREAMERY AND MARKET LLC	97 LOCKER LN	GRANTSVILLE
ISLAND CREAMERY BERLIN	120 N MAIN ST	BERLIN
ITABERCO INC	1900 BAYARD ST STE 110	BALTIMORE
ITALIAN KITCHEN LTD	4521 KENILWORTH AVE	BLADENSBURG
KEYES CREAMERY	3712 ALDINO RD	ABERDEEN
KILBY CREAM	785 FIRETOWER RD	COLORA
LAKESIDE CREAMERY	20282 GARRET HWY	OAKLAND
LANCO DAIRY FARMS COOP LLC	14738 WARFORDSBURG ROAD	HANCOCK

MANY SWEETS LLC	1900 BAYARD ST	BALTIMORE
MANY SWEETS LLC DBA CREAM CRUISER	363 LOG CANOE CIRCLE	STEVENSVILLE
MARVA MAID / MAOLA LANDOVER	1805 SOUTH CLUB DR	LANDOVER
MARYLAND & VIRGINIA MILK PRODUCERS	8321 LEISHEAR RD	LAUREL
MEADOW MOUNTAIN NUTRITIONAL INC	14500 NATIONAL PIKE	FROSTBURG
MISTY MEADOW FARM CREAMERY	14325 MISTY MEADOW RD	SMITHSBURG
MOBY DICK HOUSE OF KABOB	3329 75TH AVE	HYATTSVILLE
NESTLE DREYERS ICE CREAM CO	9090 WHISKEY BOTTOM RD	LAUREL
NICE FARMS CREAMERY	25786 AUCTION ROAD	FEDERALSBURG
NORWOOD ICE CREAM & CANDY CO	7556 MAIN ST	SYKESVILLE
OLMO BROS NURSERY & FARM	1704 OLD GENERALS HWY	ANNAPOLIS
POTOMAC ICE CREAM LLC	19209 M CHENNAULT WAY	GAITHERSBURG
PRIGEL FAMILY CREAMERY	4852 LONG GREEN RD	GLEN ARM
QUEEN CITY CREAMERY & DELI LLC	108 HARRISON ST	CUMBERLAND
SACRED MOUNTAIN LLC DBA MOORENKO'S ICE CREAM	8810 BROOKVILLE ROAD	SILVER SPRING
SAPUTO DAIRY FOODS USA LLC	428 EAST PATRICK STREET	FREDERICK
SHEPHERDS MANOR CREAMERY LLC	1126 SLINGLUFF RD	NEW WINDSOR
SOUTH MOUNTAIN CREAMERY LLC	8305 BOLIVAR RD	MIDDLETOWN
TAHARKA BROTHERS	3515A CLIPPER MILL RD	BALTIMORE
THE CHARMERY ICE CREAM	1700 W 41ST ST #400	BALTIMORE
THE SCOTTISH HIGHLAND CREAMERY	102-104 S MORRIS ST	OXFORD
TITO'S ICE CREAM	5351 46TH AVE	HYATTSVILLE
TOTALLY COOL INC	36-40 GWYNNS MILL CT	OWINGS MILLS
WOODBOURNE CREAMERY AT ROCK HILL ORCHARD	28600 RIDGE RD	MOUNT AIRY
YORK CASTLE ICE CREAM CO INC	6771 MID CITIES AVE	BELTSVILLE