



News Release

United Dairymen of Idaho

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For Immediate Release

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Dairy Ranks #1 in Agriculture – Boosts Idaho's Economy

Boise, Idaho – May, 2007 – While agricultural employment in many Idaho counties has fallen in recent years, seven south central Idaho counties are reaping the benefits of a vibrant dairy industry that has brought jobs and money to their economies. A study conducted by Boise State University looked at the economic impact of the dairy industry in Idaho, in particular the seven south central counties of Cassia, Elmore, Gooding, Jerome, Lincoln, Minidoka and Twin Falls counties, where the majority of dairy employment occurs. In fact, from 1997- 2005, these seven south central Idaho counties represented 27.0 percent of the total agricultural employment in Idaho; however, they were responsible for 48.2 percent of the growth in the state's total agricultural employment.

Overall, in Idaho, in 2005, the dairy farming or dairy product manufacturing industries directly employed 9,260 persons in Idaho. Of these jobs, 7,495 people were employed on dairy farms, while approximately 1,765 people were employed in Idaho's dairy product manufacturing industries, primarily cheese plants. Not only do Idaho dairies provide direct employment, dairy farming and dairy product manufacturing in Idaho provides secondary economic impacts that

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support another 13,470 jobs in the state. Nearly 6 out of every 10 jobs attributable to the dairy industry are created outside of the industry. These are jobs that supply inputs to dairy farming and to dairy product manufacturing and include feed grains, dairy equipment, fuels, transportation, as well as business services to dairy farms like veterinary, accounting and insurance services.

Financial contributions to the state through personal income and taxes from Idaho's dairy industry can't be overlooked. Idaho's dairy farm families accounted for \$428 million in personal income in south central Idaho. With the secondary employment, study estimates show an additional \$655.4 million of personal income to the south central Idaho region, totaling over \$1 billion that Idaho's dairy industry contributes to the economy. Dairy farms and dairy manufacturing also generated \$26.7 million in tax revenues. Add in the secondary economic activity and the state of Idaho realizes an estimated \$67.5 million in tax revenues that is attributable to the dairy industry.

Idaho's dairy industry, and in particular the dairy industry in the counties of south central Idaho have continued their robust growth during the last five years. They have added jobs to the state and the region at a time when other industries have not. In addition, during the last five years, Idaho's dairy farming and dairy products manufacturing have added many jobs in the rural areas of Idaho, which, in the past had been largely passed over when the state's urban areas were making strong economic gains.

An economic input-output model was used in the study to estimate the value created by the dairy industry in relation to the remainder of the state's or region's economy. United Dairymen of Idaho commissioned Boise State University to determine the economic impact of the dairy industry in Idaho. Dr. Don Holley and John Church of the Department of Economics at BSU conducted the study.

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Source: *The Economic and Fiscal Impacts of the Dairy farming and dairy Product Manufacturing Industries in South Central Idaho*; Dr. Don Holley & John Church, Boise State University, Department of Business and Economics; Sept. 2006.

United Dairymen of Idaho (UDI) is the local planning and management organization responsible for increasing demand for U.S. produced dairy products on behalf of Idaho's dairy farm families.