WISCONSIN EXPORTS OF DAIRY PRODUCTS

The USDA’s Economic Research Service (ERS) publishes an annual estimate of agricultural exports by state. This Babcock Institute update focuses on Wisconsin dairy exports from ERS’s latest report covering FY2004.

Wisconsin dairy plants exported dairy products valued at $171 million in FY2004, about 13 percent of the U.S. total of $1.32 billion. Wisconsin was a distant second to California in dairy export value—the Golden State accounted for $282 million in dairy exports, more than 21 percent of the U.S. total—but Wisconsin’s exports were nearly twice those from New York, in third place.

Wisconsin’s share of U.S. dairy exports is roughly equivalent to its share of U.S. milk production, about 12 percent. Both export share and production share have been falling modestly since the mid-1990s. Wisconsin’s export share and export volume fell sharply between 1994 and 1995, after three years of exports exceeding $175 million. Prior to 1995, Wisconsin’s share of total U.S. dairy exports consistently ran between 20 and 30 percent.

While cash receipts from the sale of milk typically account for more than half of Wisconsin’s total annual cash receipts from farming, dairy product exports rank fourth among Wisconsin’s agricultural export commodities. Exports of frozen potato products and canned and frozen vegetables topped the list of Wisconsin agricultural exports in FY2004, accounting for 20 percent of the state’s total export value of $1.37 billion. In second and third place, respectively, were food grains (primarily corn) and soybeans. Even though Wisconsin is not a leading state in corn or soybean production, these commodities are huge export items for the U.S., together accounting for more than 10 times the export value of dairy products in FY2004.

Wisconsin’s leading dairy product exports are cheese and whey products. For the U.S., nonfat dry milk—produced in limited volume in Wisconsin—is the leading export commodity.