Dairy farming becoming increasingly complex

By ELLYN COUVILLON
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One of the reasons that Kleinpeter Farms Dairy has its own herd of milk cows now is that some of the dairy farmers it relies on are retiring.

And there's either no younger family members to keep many farms running or the next generation just isn't interested.

If the latter is the case, it's understandable. Dairy farming, from all accounts, is one of the hardest ways to make a living.

Even the Kleinpeters know that. As owners of a milk processing company with its own dairy farm, they're a rare breed.

Jeff Kleinpeter, vice president of Kleinpeter Farms Dairy, said that of the family-owned milk processors in the U.S., he bets there are only five that also own their own dairy farms.

"We're going against the grain," Kleinpeter said.

Jim Beatty, director of the LSU Agriculture Center's Southeast Research Station in Franklinton, a dairy research station, says there are a number of reasons dairy farming is so difficult.

Besides the farm being a round-the-clock operation — cows are milked twice a day — Beatty said the prices for milk are extremely unstable.

"It's just the nature of milk," he said.

Since milk is so perishable, he said, the product has to leave the farm every 48 hours for it to be processed and packaged as the Grade A milk that people drink.

"It's not like corn or soybeans that can be stored and sold over a period of time," Beatty said.

If there's even a slight oversupply of milk, the prices drop severely, he said. And a small undersupply can shoot prices up, something which makes financial planning difficult for dairy farmers.

"A 2 to 3 percent change in the supply of milk" can translate into a "20 to 25 percent change in the price the farmer gets," Beatty said.

"A rule of thumb in the trade is, 'the last load of milk in the market sets the price,"' he said.

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In October of 1999, for example, the research station Beatty heads got $18.37 per 100 pounds of the milk its herd produced.

Two months later, in December 1999, the station got $14.40 per 100 pounds of its raw milk.

The recent droughts in Louisiana have also meant greater expense for farmers who have lost their feed crops due to the dry weather and have had to purchase feed.

Dairy farmers these days supplement the cows' grass diet with other crops for better milk production. In Louisiana, those crops might be corn or sorghum, said Beatty.

He expects the research station will spend an extra $35,000 this year to feed its cows.

The effects of the droughts have just been "snowballing," said Beatty.

According to the LSU Department of Agriculture, Economics and Agribusiness, the number of milk cows in Louisiana decreased from 76,000 in 1995 to 63,000 in 1998.

Milk production in the state fell from 905 million pounds in 1995 to 751 million pounds in 1998.