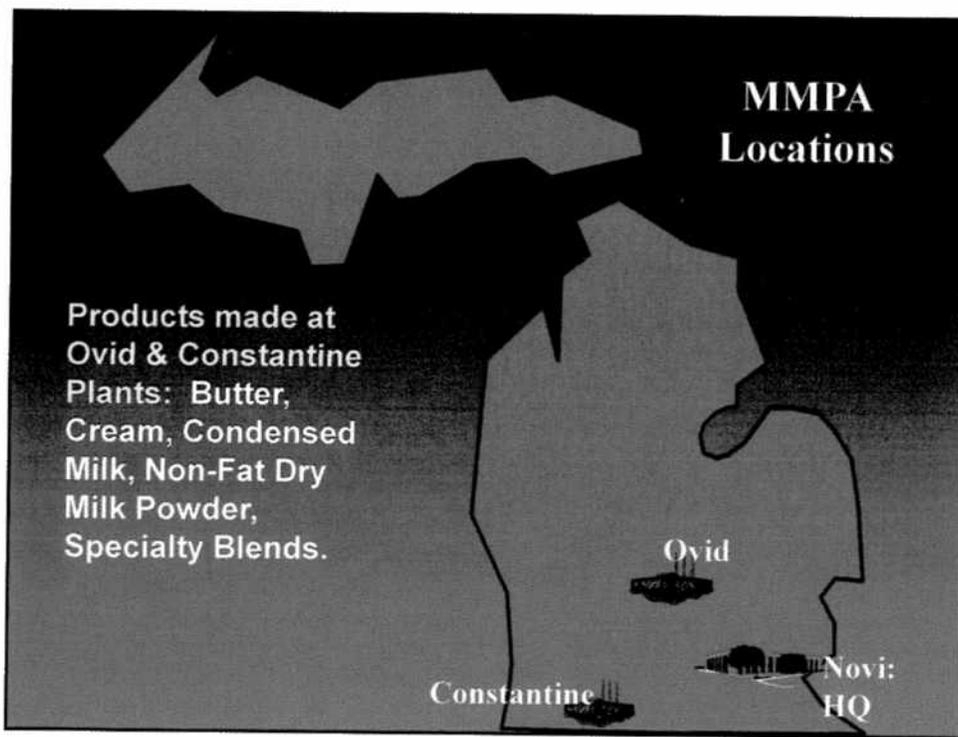
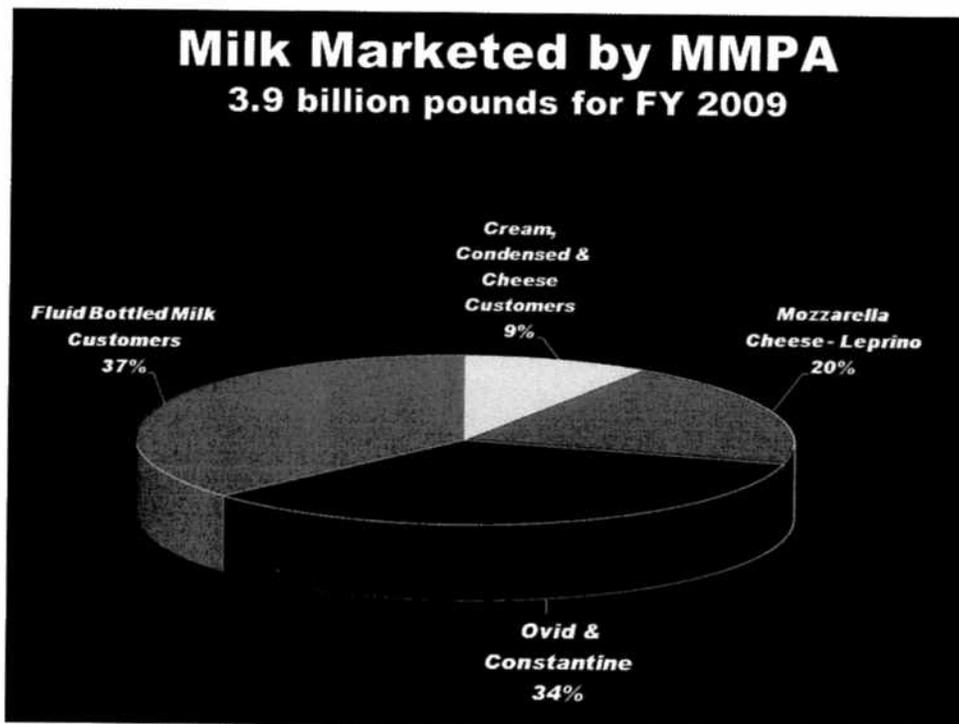


## Michigan Milk Producers Association



- Formed in 1916
- 2,200 members representing 1,400 farms
- Members in Michigan, Ohio, Indiana and Wisconsin.
- Markets 3.9 billion pounds of milk annually.
- 11<sup>th</sup> largest dairy cooperative in the United States.





## Michigan Milk Producers Association

### ***Mission Statement:***

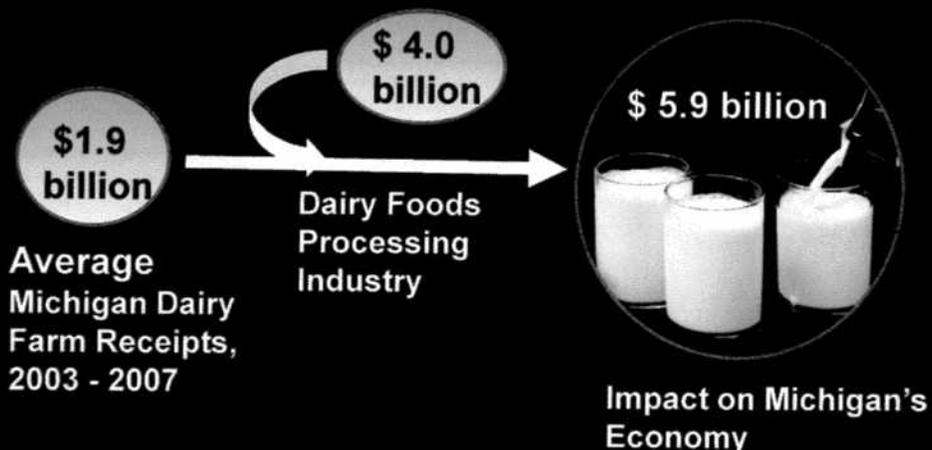
***To Market MMPA Members' Milk to the Greatest Advantage Possible***

## Michigan's Dairy Industry

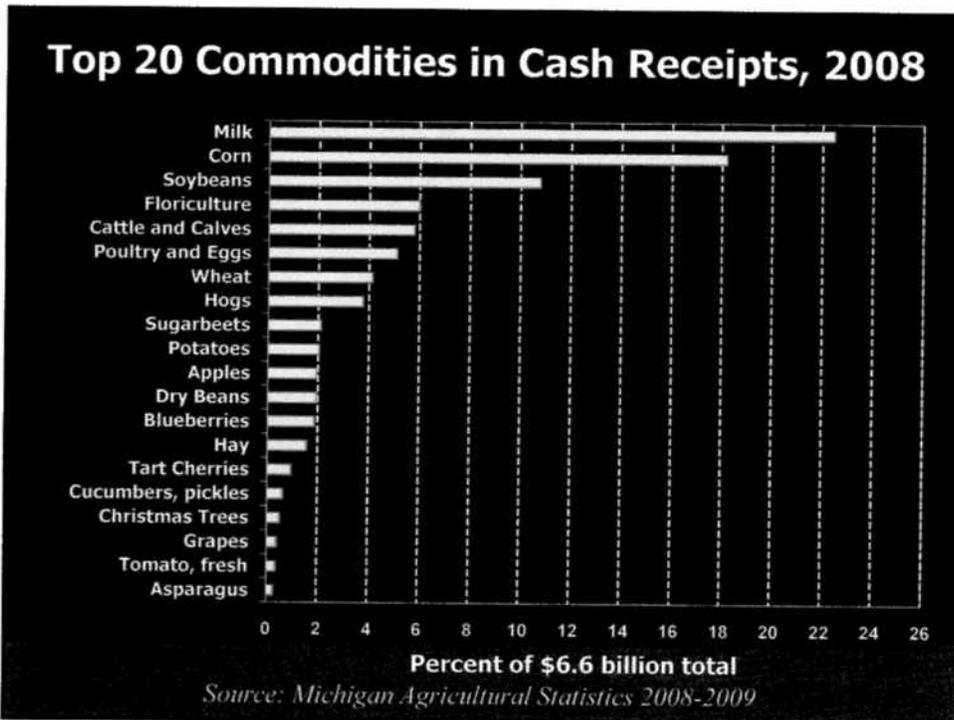


- Ranks 8<sup>th</sup> nationally
- Dairy is the top ranking segment of Michigan's number two industry: Agriculture.
- Dairy contributes approximately 25% of Michigan's cash receipts for Agriculture.
- Represents more than 4.0% of total U.S. milk production.

## Dairy Industry's Impact on Michigan's Economy



Source: Michigan Agricultural Statistics Service and Michigan State University, "Economic Impact and Potential of Michigan's Agri-Food System" report released January 2006 and February 2009.



### Top Ten Dairy States

#### 2009 Milk Production

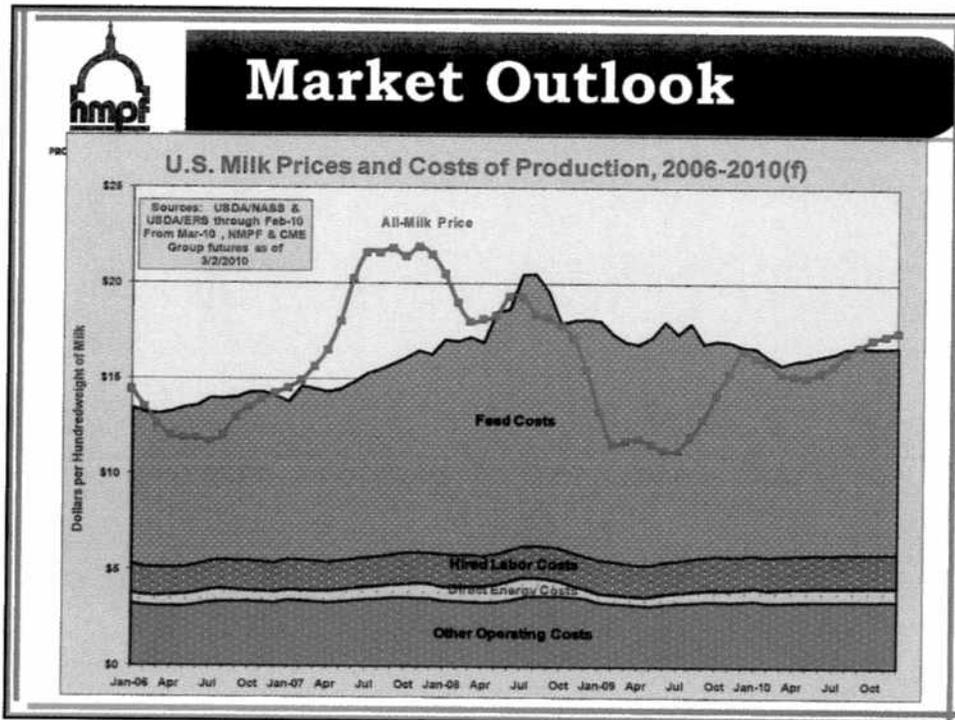
1.	<b>California</b>	<b>39.5 billion lbs</b>	<b>- 4.1%</b>
2.	<b>Wisconsin</b>	<b>25.2</b>	<b>+ 3.1%</b>
3.	<b>New York</b>	<b>12.4</b>	<b>- 0.1%</b>
4.	<b>Idaho</b>	<b>12.1</b>	<b>- 1.3%</b>
5.	<b>Pennsylvania</b>	<b>10.5</b>	<b>- 0.2%</b>
6.	<b>Minnesota</b>	<b>9.0</b>	<b>+ 2.7%</b>
7.	<b>Texas</b>	<b>8.8</b>	<b>+ 5.0%</b>
8.	<b>Michigan</b>	<b>7.97</b>	<b>+ 2.6%</b>
9.	<b>New Mexico</b>	<b>7.90</b>	<b>+ 0.5%</b>
10.	<b>Washington</b>	<b>5.6</b>	<b>- 2.4%</b>

## Milk Production Per Cow Top 10 States - 2009

	State	Milk Produced Per Cow
1.	New Mexico	24,320 pounds
2.	Washington	23,171 pounds
3.	Colorado	23,089 pounds
4.	Arizona	23,028 pounds
5.	Michigan	22,445 pounds
6.	Idaho	22,091 pounds
7.	California	22,000 pounds
8.	Nevada	21,821 pounds
9.	Kansas	21,085 pounds
10.	Utah	20,988 pounds

## Issues Facing Michigan's Dairy Industry

- Milk prices for dairy farmers dropped significantly in 2009.
- Milk prices in 2010 not as strong as anticipated.
- Increasing farm production costs
- State Budget issues – MDA, MSUE, MSU Ag Experiment station
- Increasing Regulatory Requirements
- Declining number of large animal veterinarians



## Opportunities For Michigan's Dairy Industry

- Michigan's dairy industry is growing in both milk production and processing capacity.
- Milk production in Michigan increased over 2.5% in 2009 compared to 2008.



## MMPA Ovid Expansion

### OVID – Phase II

- Increase Capacity by 2 mill. lbs/ day     **\$ 35 Million**
- New Powder Dryer Project -             **\$ 27 Million**
  - Total                                     **\$ 62 Million**
- Construction started June 2008
- Financing secured for \$62 Million
- Main Plant completion date: Dec 2009
- Dryer completion in March 2010

## Opportunities For Michigan's Dairy Industry

- Increased supplemental out-of-state milk sales
- Increased U.S. dairy product export sales over the long term.
  - Over 9% of all U.S. dairy products were exported in 2009.



## **MMPA Exports**

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- **Since November 2009, MMPA has exported:  
Over 1.8 million pounds of butter  
Approximately \$2.8 million in total sales.**
- **Butter exported to:  
Canada, Russia, Middle East and Mexico.**
- **In April, MMPA will begin shipping nearly  
200,000 pounds of butter to Japan.**