

Farm Credit says dairies bounced back in 2010

(The Daily News)

After a disastrous 2009, when dairy farms lost an average \$386 per cow, the industry bounced back in 2010, earning an average of \$396 per cow, Farm Credit East reported.

That represents a \$782 swing per cow, according to a report from Farm Credit East, the Northeast's largest agricultural lending cooperative.

Milk prices rose \$3.90 per hundredweight in 2010, and that helped farms have adequate cash flow for operating expenses, debt repayment, family living and income taxes. Dairies also were able to catch up on some bills that were carried over from 2009, according to Farm Credit's Northeast Dairy Farm Summary report.

However, the average farm wasn't able to pay back much of the additional debt that was incurred in 2009. Debt per cow stayed the same at \$3,337, the highest in the 32-year history of the report.

"The Dairy Farm Summary confirms that profitability rebounded in 2010," said William Lipinski, CEO of Farm Credit East. "We have many outstanding dairy farmers in the Northeast who do an excellent job."

He said Farm Credit remains committed to the future of Northeast dairy farming.

"The past few years have been very challenging but we are optimistic that dairy farming will remain a strong industry here in the Northeast," he said.

The annual Northeast Dairy Farm Summary that looks at farms from New York, New England, and New Jersey. The summary reviews all aspects of dairy financial information from participating dairy farm businesses. This year, 524 dairy farms participated. The farms in the summary have extensive farm records and from a financial management and efficiency perspective are considered to be better than average farms.