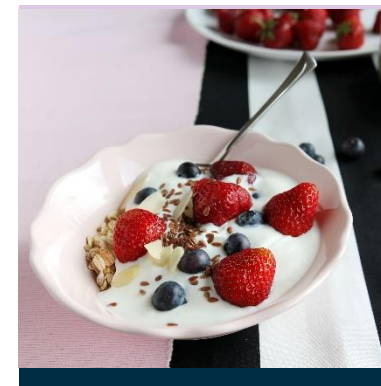
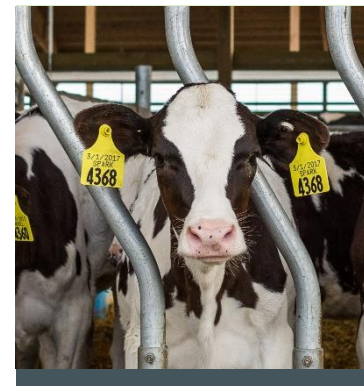


Michigan's Dairy Program



Tim Slawinski & Terry Philibeck

FOOD AND DAIRY DIVISION

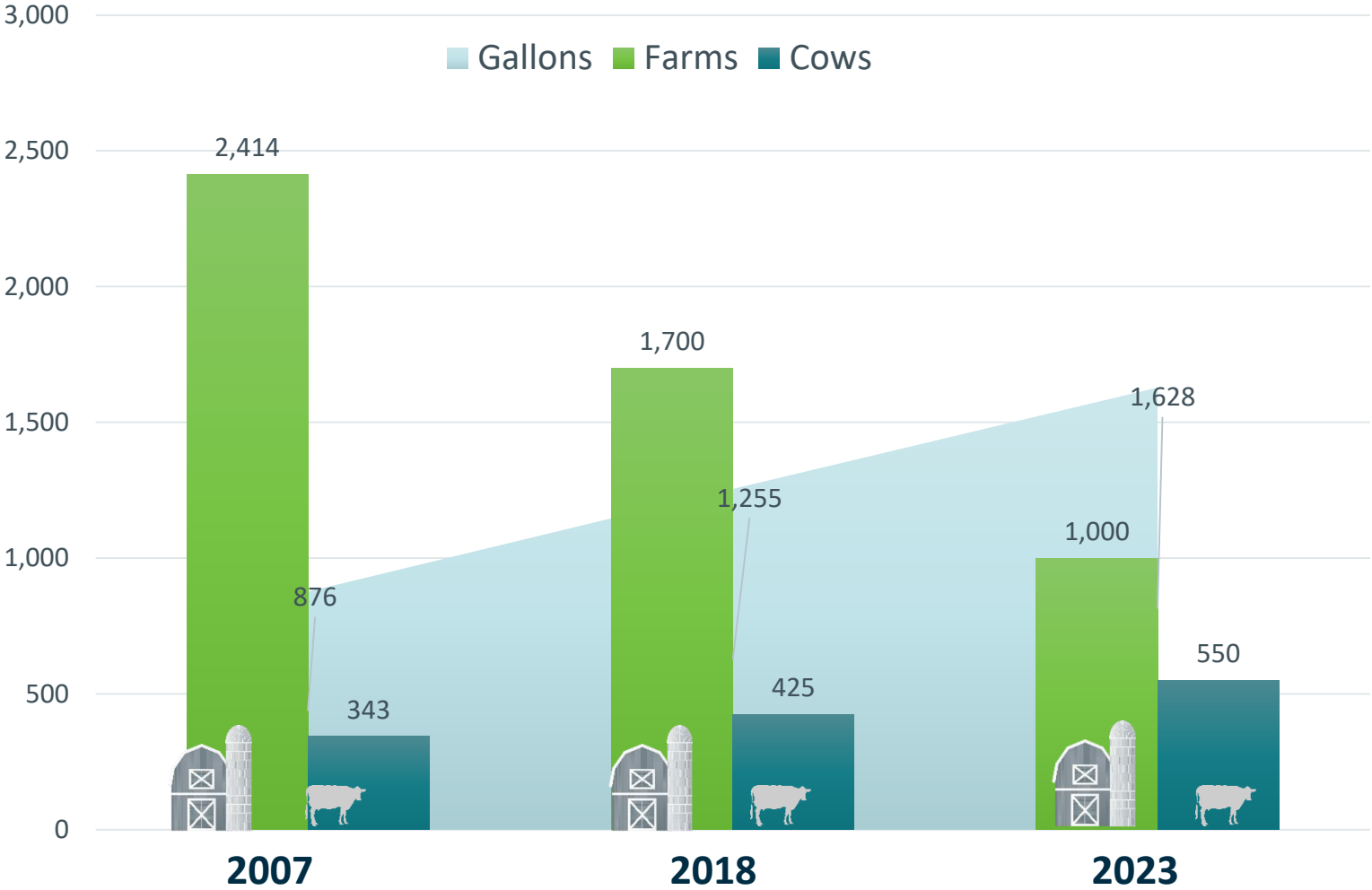
MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Michigan's Dairy Industry

- Leading segment of Michigan's agriculture economy
- Annual economic impact of \$15.7 billion
- Generating nearly 40,000 jobs
- Boasting 96 dairy processing plants
 - Fluid milk, yogurt, cottage cheese, sour cream, butter, milk powder, cheese and ice cream
- 6th in the nation for milk production
- 1st in the nation in pounds of milk per cow



Trends in Dairy Farming



MDARD's Dairy Program

Grade "A" and Manufacturing Milk Laws

- Grade "A" Law (Pasteurized Milk Ordinance)
 - Federal requirements implemented by state programs
 - MDARD's program is required to ship milk across state lines
- Manufacturing Milk Law
 - State program that can vary from state to state
 - Covers large and small artisanal operations



MDARD's Dairy Program

Dairy inspections provide to the industry...

- Value, expertise, and service
- Effective turn-around on equipment certification
- Help industry meet federally mandated requirements
- Increased processing opportunities
- Incentive value-added end products



MDARD's Dairy Program

Operation Details

- Budget = \$5,440,000
 - General Fund = \$5,023,000
 - Restricted = \$224,000
 - Federal = \$200,000
- Staff = 30
 - Field Staff = 26
 - Supervisors/Administrative Staff = 4
 - Includes FY19 Staffing Increase



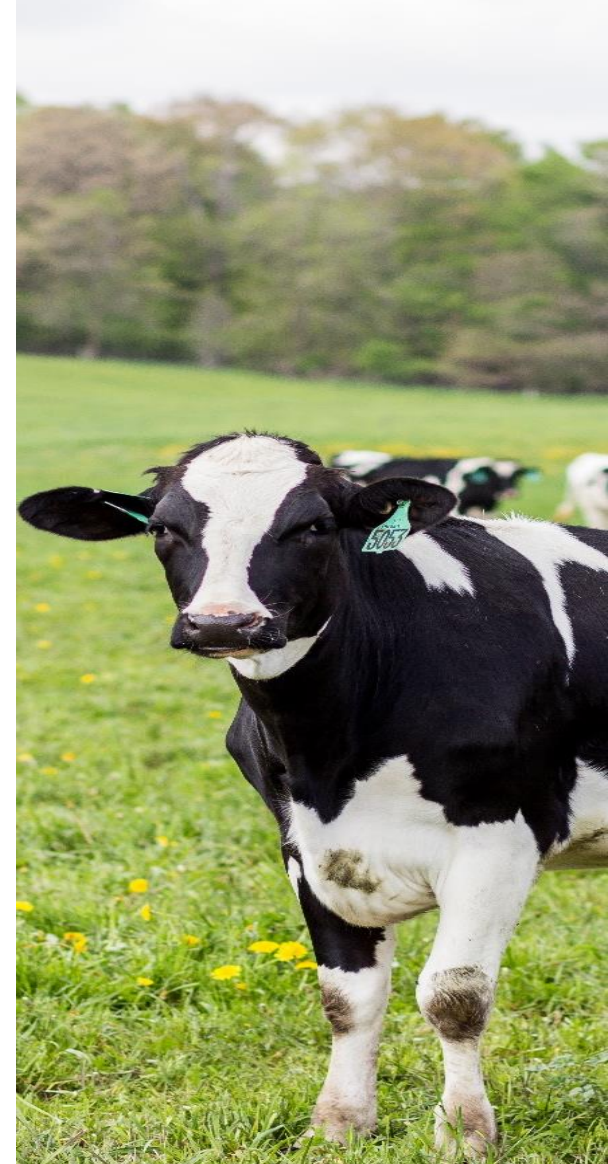
MDARD's Dairy Program

Dairy Licensing System

- Project kicked off in October 2018
- Go Live projected for Fall 2019

Dairy Inspection System

- Vendor search underway
- Automate manual process to increase efficiency
- Centralized record storage and data management
- Improved electronic communication
- Real time integration with licensing system



Dairy Industry Changes

More complex inspections:

- New technology
- Automated milking installations (robots) fueled by labor shortages
- 6 robots in 2012, 205 in 2018 and 1,000 robots projected in 2023



Trends in Processing



**More value-added,
on-farm processing**



**Larger, more complex
dairy processors**



Lack of skilled workers



**Not enough processing
capacity to meet demand**

Questions?

Tim Slawinski, Director
Food and Dairy Division
slawinskit@michigan.gov
517-429-5364

Stay connected with MDARD.



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