

Sen. Marklein: Positive outlook for ag

Posted on Friday, Feb 4, 2022

>> WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)

Agriculture has been a major topic of conversation in the State Capitol lately. The recent presentation by the Dairy Innovation Hub (DIH) was followed by the annual Ag Economic Outlook Forum at the University of Wisconsin and Ag Day at the Capitol hosted by the Wisconsin Farm Bureau Federation (WFBF) and other partners. The legislature will also be taking action on a couple of key ag-related initiatives that we have been working on for a very long time.

In case you missed it, I recently wrote a column on the DIH's presentation of new research projects in the State Capitol. Visit my website to take a look. I am very encouraged by the collaborative, cutting-edge work these campuses are doing and I am proud to continue supporting their efforts to keep Wisconsin a Dairy Superpower.

I am also encouraged by the economic reports detailed at the Wisconsin Ag Economic Outlook Forum at the University of Wisconsin. I always look forward to the research and analysis shared at the forum because it is a comprehensive view of ag economies and predictions for future challenges and opportunities.

The analysis this year tells me that there is a positive outlook for ag. Nationwide, the 2021 net farm income forecast is 24% above the 20 year average at \$116.8 billion. Paul Mitchell, Director of the Renk Agribusiness Institute and faculty member at UW Madison said that "the average US farmer is going into 2022 in a solid financial position." He said that most of the 2021 farm income increase was from corn, soybeans and livestock.

The increases experienced by farmers are coming from both selling product and government assistance. Since the beginning of the pandemic, Wisconsin farmers

have received a lot of assistance. The Coronavirus Food Assistance Program pumped \$1.22 billion into Wisconsin. Nearly \$45 billion was pushed into ag in 2020 nationwide.

A lot of farmers used their positive financial position to pay down debt and prepare for the future. But, they are also paying more for production because input prices are increasing. For example, fertilizer prices have tripled over the last 12 months. Mitchell said that over the last couple of weeks, prices have started to level and he is hoping we are seeing the end of the price spike.

Each year, I am anxious to hear about the prognosis for the dairy industry. Herd consolidation continues and Wisconsin has lost about a third of our dairy farms in the last seven years. However, this has not affected the size of the overall herd. We still have the same number of cows in Wisconsin.

Domestic demand continues to increase for all products because consumers are still staying home and cooking rather than going out to eat. This has kept cheese consumption relatively flat because restaurants typically serve more cheese than the average consumer chooses to cook at home. Yogurt continues to be a growth category and butter consumption is way up. Fluid milk consumption continues to decline.

Mark Stephenson, Director of Dairy Policy Analysis at UW Madison said that the demand for exported dairy products is larger than ever. He is analyzing a 17.5-18% increase month-to-month compared to previous years across all dairy product categories. Our products are being shipped all over the world, but China and Mexico are some of our biggest customers.

The legislature is also taking action on Ag Exports. The Joint Committee on Finance (JFC), which I co-chair, will be approving \$558,400 for the Department of Agriculture, Trade and Consumer Protection (DATCP) to promote agricultural exports on behalf of Wisconsin.

The legislature set aside this funding in the state budget and required DATCP to work with the Wisconsin Economic Development Corporation (WEDC) to put together a plan to actively promote the export of agricultural goods to other countries. The agencies returned with a plan to provide technical expertise, market research and market development resources. They will be organizing international trade missions and inbound reverse buyer missions in which we invite buyers to

Wisconsin to experience our products to place orders with our producers.

Again, there is a very positive outlook for ag in Wisconsin right now. I will continue to monitor this extremely important industry in my communities and work with local farmers to remove obstacles and provide resources. It is an honor to represent the hard-working farm families, ag businesses and rural communities in the 17th Senate District.

As always, please do not hesitate to connect with me to provide input, ideas or to seek assistance. Send an email to sen.marklein@legis.wisconsin.gov or call 608-266-0703.