

## KNPR Summary: Nevada's Milk Problem

According to Mike Helmer, an agricultural economist at the University of Nevada, Reno's center of economic development, the state of Nevada's dairy industry is undergoing a problem. This is cause for alarm because if any large industry in a state runs into trouble, it can create a butterfly effect on the overall states' wellbeing. In class we have discussed certain small problems within a state, acting like a catalyst for many more dangerous situations. The market for milk farmers is struggling due to the unforeseen COVID-19 virus. This virus has swept the nation and has led to mass closure of many common places. Parks, malls, and even schools have all closed. The government issuing such closures is targeting non-essential businesses. This allows for services such as grocery stores, and limited food places to be open, but doesn't allow for the schools to be up and running. This is due to virtually all schools being able to go online and continue class via the internet. Be it through phones or computers classes these days have online components integrated already usually for notification purposes. The problem that the dairy farms of Nevada run into is linked to these school shutdowns. The fact of the matter is that these same schools end up being dairy farmers main customers. This makes the already growing problem of low dairy prices expand even more because the farms are losing their main source of income. The overarching problem becoming that of Nevada's economy taking a huge hit.

This has blossomed into milk prices falling over thirty percent and leaving certain farmers to sell a portion of their dairy cows. This is an interesting point, since Nevada only has a total of about thirty-two thousand cows. Which is actually very small, only making the state rank in the bottom ten when dealing with "dairy herd size." Most of these cows residing in the northern parts of Nevada, and Helmer states they are around Churchill County. The southern half providing the bulk of their dairy cows within Amargosa Valley. Further insight was given into

the state of Nevada's farms when Helmer noted that the state has a larger cow per farm ratio than other states. Yielding around one thousand cows per farm with around twenty plus farms despite still being in the lower state bracket for actual number of cows. With this, the broadcast delved further by bringing on a dairy farmer.

Pete Olsen was the second guest brought on who is a chairman in Churchill County, and the owner of Hillside Dairy. He states that this virus has been very "tumultuous," to his business and has caused them to have to "dump" their milk. A very jarring term, but one that is also misunderstood. Both Helmer and Olsen explain that dumping milk is not just simply throwing it on the ground. In fact, it is an umbrella term for any way of giving the milk away for free. These problems tend to arise when you have a perishable item that needs to sell or else it will go bad. They have even had to hire cheese companies who once bought their milk, to make cheese for them. This is so Olsen and other farmers can resell it. Resulting in a somewhat effective way to lessen the hemorrhaging profit margin. An additional way to help ease the pain was said to be funneling most of their milk to dry milk plants. These establishments work to create high value powdered milk which is much more sustainable and can be stored for a very long time. One may ask why they don't forcefully send their milk to grocery stores. Though they are still open during the virus, Olsen explains that the country is not structured to push all the food to grocery stores. Supply chains keep what he calls a "nice mix," of distribution to restaurants, food services, and the schools.

To sadly make matters worse, biological factors are kicking in dealing with the cows themselves. It is springtime, and around this time the cows start to have calves which results in the rapid production of milk. This causes farmers like Olsen to become forced to undersell their product with little to no way of stopping the rate of production. As a board member of the dairy

farmers of America, Olsen believes that borrowing money with government help may be instrumental for staying afloat during these trying times. Nevada government will surely have to step in or risk a substantial hit. State governments main role is to promote its economy, but with problems such as this flourishing, it only pokes more and more holes in that game plan.

All in all, all the states are taking a loss due to the virus. These arising problems have caused the state and federal governments to pour out a ton of money to keep influential business a float. The money that will have to go to these dairy farms will end up further hurting the governments and thus countries' pockets. These payments will have to be paid as well due to dairy being large portion of U.S consumption. Making something as seemingly small as milk, a gargantuan deal.