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California Dairy Industry Powers \$23.2 Billion Economic Impact and More Than 150,000 Jobs

New UC Davis study highlights dairy's role as California's leading agricultural force, driving growth, sustainability and global exports

TRACY, Calif., – Nov. 20, 2025 – The California dairy industry continues to serve as a cornerstone of the state's agricultural economy, contributing \$23.2 billion in value to the state's gross domestic product (GDP) in 2024 and supporting more than 150,000 jobs, according to a new study from the University of California, Davis Department of Agricultural and Resource Economics, funded by the California Milk Advisory Board (CMAB).

The report, ["Contributions of the California Dairy Industry to the California Economy, 2023 and 2024,"](#) reveals the powerful ripple effect of California dairy farming and processing across the state's economy with direct, indirect, and induced economic output of around \$87.5 billion in sales in 2024 alone.

"California dairy remains an essential economic engine for the state and a source of livelihood for tens of thousands of families," said Bob Carroll, CEO of the California Milk Advisory Board. "From family farms to world-class processing facilities, every link in the supply chain helps fuel economic vitality, providing nutritious, sustainable dairy products enjoyed here and around the world."

Key Findings

- \$23.2 billion contribution to California GDP in 2024 – up from \$22.6 billion in 2023
- 151,859 total jobs supported statewide through dairy farming and processing
- \$9.0 billion in farm milk value and \$29.1 billion in processed dairy products produced in 2024

A Vital Link in California's Agricultural Economy

California has led the nation in milk production since 1993, accounting for about 18% of all U.S. milk. Nearly all of milk produced in the state is processed locally into high-value dairy products such as fluid milk, cheese, butter, whey and milk powders, and ice cream—many destined for national and international markets.

The UC Davis study highlights the synergy between dairy farmers and processors, both essential to maintaining local jobs, regional supply chains, and rural economies. These industries also support related sectors including feed production, packaging, logistics, energy, and retail.

"Each dollar generated by California dairy ripples through communities—from local feed suppliers and truckers to teachers, retailers, and service providers," said Carroll. "Dairy is a cornerstone of California's economy, sustainability leadership, and culture."

Efficiency, Sustainability, and Global Reach

Despite market fluctuations, inflation, and H5N1-related challenges in 2024, California's dairy sector continues to lead in innovation, efficiency and environmental stewardship with a growing focus on renewable energy adoption. Farmers are producing more milk using fewer resources, while processors are expanding global trade opportunities.

With climate-smart practices and sustainability increasingly shaping global demand, California's dairy industry remains one of the most resource-efficient and sustainable in the world.

About the Study

The report was authored by Daniel A. Sumner and William A. Matthews, economists at the University of California, Davis. Using the IMPLAN input-output model, the research quantified the direct, indirect, and induced effects of California milk production and processing on state employment, income, tax revenues, and overall economic activity.

Data sources include the U.S. Department of Agriculture (USDA), California Department of Food and Agriculture (CDFA), and California Employment Development Department (EDD).

About Real California Milk/California Milk Advisory Board

The California Milk Advisory Board (CMAB), an instrumentality of the California Department of Food and Agriculture, is funded by the state's dairy farm families, national leaders in sustainable dairy farming. California's dairy industry is an economic engine for the state, contributing \$23.2 billion in value to the gross domestic product (GDP) and supporting more than 150,000 jobs in 2024. With a vision to nourish

the world with the wholesome goodness of Real California Milk, the CMAB promotes the state's dairy products through advertising, public relations, research, and retail and foodservice promotional programs in California, across the United States, and globally. Learn more at RealCaliforniaMilk.com and follow RCM on [Facebook](#), [YouTube](#), [TikTok](#), [X](#), [Instagram](#) and [Pinterest](#).

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