Flooding the Market

How Dairy Consolidation is Drowning Minnesota's Farmers & Rural Communities

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A Land Stewardship Project White Paper

LAND STEWARDSHIP PROJECT

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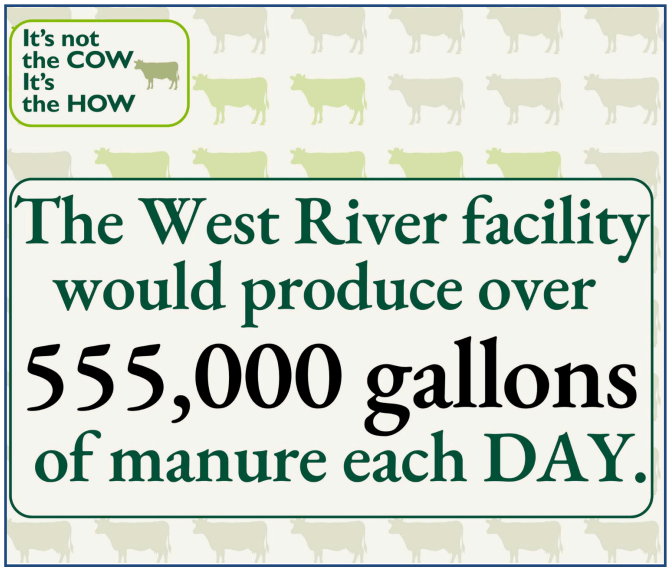

Land Stewardship Project White Paper:

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Executive Summary

Minnesota is facing a generational crisis in agriculture as dairy farmers are pushed out of the industry at an alarming rate even as production continues to rise. Extreme consolidation, driven in part by the rapid expansion of mega-dairies like Riverview LLP, is distorting dairy markets, limiting opportunity for independent farmers and undermining rural economies. We are at a critical moment here in Minnesota when it comes to the future of family dairy farming. Riverview's latest proposal, which would create the largest livestock operation in Minnesota, would further concentrate dairy production at a time when farmers are already struggling to survive. In short, the so-called "West River Dairy Expansion" in Stevens County would be a game changer for independent farmers, rural communities, the land, and our water. As state regulators consider Riverview's unprecedented proposal, it's clear this convergence of rapid consolidation, economic distress, and large-scale expansion raises urgent questions about whether existing policies are adequately protecting fair competition, rural communities, and public resources.

❏ Minnesota has lost nearly 75% of its dairy farms over the past two decades. Farmers are not failing due to inefficiency or lack of output, but because they lack access to fair and reliable markets, and are increasingly pushed out of the supply chain by large-scale industrial producers like Riverview LLP.

❏ The 14 largest dairies in Minnesota are all owned by Riverview, signaling an extraordinary level of concentration. Riverview's latest proposal to create the largest livestock operation in the state will further increase it's stranglehold on the milk business.

❏ As production consolidates among fewer, larger operations, smaller farmers face growing barriers to securing or maintaining contracts, raising concerns about fair access to markets. The current market conditions are not working for independent farmers, and it raises urgent questions about how increasing consolidation is limiting competition, restricting market access, and accelerating the loss of family-scale dairies.

This moment presents an urgent need to examine whether current market conditions are fair, competitive, and sustainable for farmers and communities.

❏ Replacing dozens of independent small and medium-sized farms with a single large operation concentrates economic activity and reduces the broader economic benefits that come from having more farmers on the land and in our communities.

❏ Ensuring fair markets, protecting public resources, and supporting the next generation of farmers will require public policy changes to address the structural challenges driving consolidation in the dairy industry. Government entities such as the Minnesota Pollution Control Agency must ensure any proposed expansions of mega-dairies are governed by a system that provides a full understanding of the impacts they will have on other dairy farmers, the environment, and the dairy market. In the short-term, that means ordering an environmental impact statement (EIS) be completed for the unprecedented West River Dairy Expansion in Stevens County.

I. Introduction

Riverview LLP has rapidly grown into one of the largest dairy operators in Minnesota, with a scale of production that is unprecedented in the state's history. As the company proposes creating an unprecedented 18,500-cow facility in Minnesota's Stevens County, its role in shaping dairy markets has become increasingly significant. This raises important questions about whether its level of economic control is so great that the market is, for all intents and purposes, broken for other dairy farmers.

In February 2026, a representative of Riverview LLP told *Agweek*, "When we look at some of the trends happening around the world, really in this country and around the world, with dairy consumption, we've got growing population, we've got growing per capita consumption and demand for dairy products. And we think the U.S., and particularly the upper Midwest, is really probably the best place in the world to continue to grow in dairy production and expand dairy farming."[1]

At the same time, Minnesota has lost the majority of its dairy farms over the past two decades, even as overall milk production has increased. When Riverview started its first dairy operation in Minnesota in 1995, there were around 9,000 dairy farms in the state.[2] In 2025, there were 1,605.[3] That same year saw farm bankruptcies increasing by a shocking 70% across the entire Midwest.[4]

Farm foreclosures are not happening because farmers are not able to produce enough or because they cannot cover their costs. In fact, in February 2026 the USDA reported that over the past two decades, the average dairy farm covered its feed and operating costs in nearly all years, and milk production across the board increased.[5] The truth is, the number of dairy farms has decreased dramatically because there is a lack of fair markets farmers can sell their products to and receive a fair price.

The current market conditions are not working for independent farmers, and it raises urgent questions about how increasing consolidation is limiting competition, restricting market access, and accelerating the loss of family-scale dairies.

This Land Stewardship Project white paper examines Riverview's scale, the structure of dairy markets, and the broader impacts of consolidation. What does it mean for farming communities and Minnesota's economy if one dairy company forecasts that this is "the best place in the world to continue to grow" while 75% of dairy farmers over the past two decades have gone out of business?

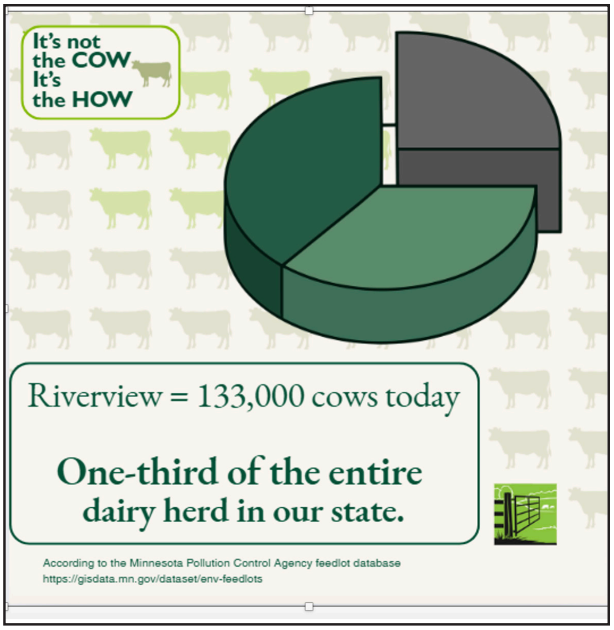
II. Riverview's Scale & Market Concentration

Riverview LLP has rapidly grown into the dominant dairy operator in Minnesota, with a scale of production that far exceeds that of any other farm in the state. According to the Minnesota Pollution Control Agency's feedlot database, Riverview owns 15 dairy operations totaling more than 133,000 cows, with an average of nearly 9,000 cows per site.[6]

By comparison, the average dairy herd in Minnesota is approximately 280 cows. [7] This means Riverview operates at a scale roughly 500 times larger than the typical dairy farm. The 14 largest dairy operations in Minnesota are all owned by Riverview, with the largest single facility housing approximately 12,000 cows.[8]

At the same time, the broader dairy sector remains overwhelmingly composed of smaller farms. According to the 2022 U.S. Census of Agriculture, 99% of Minnesota dairy farms have fewer than 2,500 cows, and 92% have fewer than 500. Yet the largest operations account for a disproportionate share of total production, with the top 8% of farms owning 45% of all milk cows in the state.[9]

Taken together, these trends point to a rapidly consolidating industry in which a small number of large operations control a growing share of production and market share. Riverview's scale, in particular, raises concerns about the extent to which market concentration may be shaping access to buyers, pricing dynamics, and overall competition within Minnesota's dairy sector.



III. How Dairy Markets Work

Dairy markets operate differently than most industries, and those differences make the industry especially vulnerable to the impacts of consolidation, monopolies, and lack of fair competition. Most dairy farmers do not sell their milk on an open market or negotiate prices directly with buyers. Instead, they sell to regional cooperatives or processors, which source milk from many farmers in the area before it is processed and distributed to places like grocery stores and schools. Milk is perishable and costly to transport long distances, and so most farmers effectively have access to a small number of buyers (usually just one) in their region.

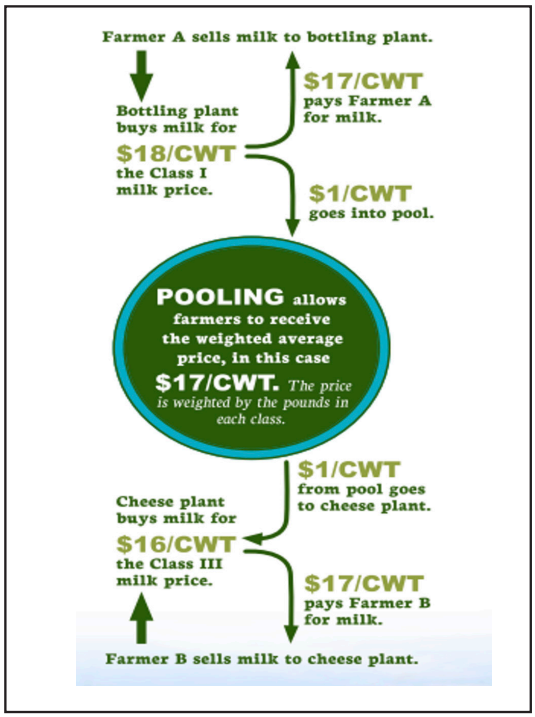
The price they receive is determined through a federal pricing system based on overall supply and demand across the market.[10] When total milk production increases, prices can decline across the system. Large-scale operations producing increasing amounts of milk can weather price decreases through sheer volume— something smaller farms with tighter margins cannot do. In fact, large-scale operations assume less risk when producing a massive amount of milk because local dairy cooperatives are the buyer, and the dairy cooperatives are incentivized to lower costs around transportation by purchasing from fewer farms.

A major influence on small dairy farms that have been going out of business is that they cannot get a reliable cooperative to pick up their milk from the farm. Why would a local cooperative make 10 truck trips to small dairy farms that each milk 500 cows, when they could make one truck trip to a 5,000-cow dairy? As production becomes more concentrated among fewer, larger operations, research shows cooperatives and processors have also consolidated, reducing the number of available buyers and limiting farmers' market options.[11]

Taken together, these dynamics mean that market concentration can influence both pricing and access. When a single large producer supplies a significant share of milk in a region, it may affect how much smaller farms are able to sell, and under what terms.

Given the scale of production from large operators, an important question is how that supply interacts with regional processing capacity and whether it may influence access for smaller farms. These structural features of the dairy market raise concerns that increasing consolidation is contributing to reduced competition, limiting market access, and putting greater economic pressure on independent farmers.

The chart to the right provides a simplified illustration of how milk pricing 'pooling' works for two farmers.[12] (Note: CWT refers to a hundredweight, or 100 pounds.)



IV. Impacts on Farmers, Communities & Rural Economies

Costs to Communities & Public Resources

Large-scale dairy operations operate within a fundamentally different model than most family-scale farms, with impacts that extend beyond the farm itself. These operations can require significant water use, generate large volumes of liquid manure, and increase risks of air and water pollution, creating costs that are often borne by surrounding communities.[13]

For example, a single mega-dairy can produce hundreds of thousands of gallons of liquid manure each day, stored and transported for land application. In 2025, a manure spill at Riverview's Meadow Star Dairy highlighted the scale of these operations. Estimates suggest the facility produces more than 140,000 gallons of manure daily, meaning it generates in just five days what an average Minnesota dairy farm would produce over six months.[14]

These impacts can carry real costs for nearby communities. In Utica, Minn., nitrate contamination linked to surrounding large-scale operations forced the town to replace its drinking water system, resulting in a $2 million project funded in part by taxpayers.[15]

Similar concerns have emerged beyond Minnesota. In 2026, Riverview LLP reached an $11 million settlement with the Arizona Attorney General related to groundwater impacts, underscoring the potential scale of resource use and environmental risk associated with large operations.[16]

Economic Impacts on Rural Communities

Beyond environmental impacts, consolidation in dairy production has significant implications for rural economies. Compared to row-cropping operations, family-scale dairy farms can have a far larger positive economic impact in local communities. That's because they support a broad network of local businesses, from veterinarians and feed suppliers to equipment dealers and milk haulers. When these farms disappear, those economic benefits are lost. Research shows that larger industrial-scale operations tend to spend less locally, concentrating economic activity rather than distributing it across rural communities.[17]

For many farmers, these structural changes are not theoretical, they are already shaping day-to-day realities.

In Sibley County, dairy farmer Darrel Mosel has been operating his dairy farm for over 46 years. Recently, he was preparing to transition his farm to a younger family, but when the prospective buyers approached their cooperative, they could not secure assurance of a milk contract. Without a reliable buyer, the transition could not move forward.[18]

At the same time, large-scale operations continue to supply significant volumes of milk into the same system. Mosel's experience reflects a broader concern among farmers that increasing concentration may be limiting access to markets and making it more difficult for independent farms to continue or pass their business on to the next generation.

The scale of Riverview's proposed expansion in Minnesota illustrates what is at stake. Its planned 18,500-cow dairy would be equivalent to roughly 70 average-sized farms. While the company has indicated the project would create approximately 40 jobs,[19] this reflects a consolidation of economic activity that could otherwise be distributed across dozens of independent farm operations and families.

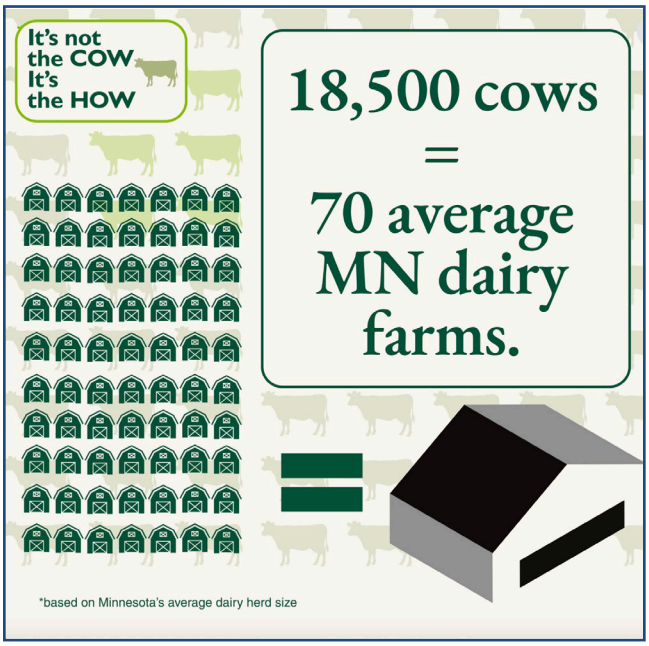
For other farmers, the pressure is already forcing difficult exits. Bonnie Haugen, a longtime dairy farmer in southeastern Minnesota, ultimately stepped away from dairy production after years of struggling to secure a sustainable price for her milk. Bonnie and her husband, Vance, bought their 230-acre farm in 1993, amidst the rolling hills, springs, and valleys of Minnesota's Driftless Region. She often says, "Farming is Everybody's Bread Butter and Water, because what

I do on my hills affects the water quality and quantity for everyone." Their family milked cows for 30 years, while Bonnie also served in various roles supporting other farmers in her community, including as an education coordinator for the Dairy Grazing Apprenticeship, with Mentor Farmers and Apprentices of Minnesota and Iowa, and on former Governor Tim Pawlenty's Task Force for Livestock on the Land. The Haugens utilized key programs available to farmers, including the USDA's Environmental Quality Incentives Program and the Conservation Stewardship Program, that supported their dairy farm with small but meaningful investments like fencing and other infrastructure. Despite utilizing federal support programs designed to help smaller farms, and despite being a mentor for other farmers, the Haugens found that those resources could not offset the challenges of competing in a market shaped and controlled by large-scale production.[20]

The Haugens' experience highlights a broader dynamic: if underlying market conditions do not allow farmers to earn a fair return, financial assistance alone is not a solution to keeping more community dairies on the land. If we want to keep more dairies on the land, public policy cannot simply give grant money to more farmers for equipment; what they need is the opportunity to earn a fair price from their products.

This shift has broader ripple effects across rural communities, including fewer students in rural schools, reduced activity in local businesses, and diminished economic resilience in agricultural communities.

Some farmers see these trends as part of a broader pattern that has already reshaped other sectors of agriculture. James Kanne, a dairy farmer in Minnesota's Renville County, has been in the industry since the 1980s, and has watched consolidation transform dairy in ways similar to what occurred in the poultry and hog industries. Kanne's farm has about 50 cows, and he recently turned the operation over to his daughter and son-in-law. Family operations like Kanne's function with systems where cows graze the fields, their manure replenishes the soil, and crop rotations are supported in a tight nutrient cycle.[21] In comparison, mega-dairies haul in feed and haul out massive quantities of liquid manure. These operations are often seeking opportunities to dispose of this manure on neighboring crop ground, in effect treating a source of fertility as a waste produce in need of being disposed of. Industrial mega-dairies, by their very nature, use a much greater amount of public resources, like water, and when a community's water is polluted or wells run dry from over-pumping, it is the public that is left footing the bill. Such externalizing of environmental costs has become a key part of these operations' business model.



Kanne notes that most dairies in Minnesota are still not large industrial operations, and he believes there is still a window of opportunity for preserving independent farms. Without changes to the structure of the market, however, consolidation pressures are likely to continue, making it increasingly difficult for smaller operations to remain viable.

In neighboring states, communities are responding to the impacts of large-scale expansion. In North and South Dakota, farmers and residents organized opposition to a proposed Riverview facility, raising concerns about environmental impacts and land use.[21]

Taken together, these experiences point to a common challenge: as dairy production becomes more concentrated, farmers face increasing uncertainty around market access, long-term viability, and the ability to pass farms on to the next generation.

V. A Path Forward for Farmers & Rural Communities

The findings in this report point to a clear conclusion: the structure of today's dairy market is contributing to the loss of independent farms and the consolidation of economic power in fewer hands. Addressing these challenges will require policies that restore fairness, protect public resources, and support the long-term vitality of rural communities.

Research consistently shows that communities with more family-scale farms experience stronger economic outcomes than those dominated by a small number of large operations. Agricultural economist Richard Levins, in his paper "The Community Advantages of Family-Sized Dairies," finds that communities with fewer, larger farms tend to experience reduced economic vitality, with little evidence that larger operations improve community outcomes. His analysis underscores that family-scale dairies play a critical role in sustaining rural economies and distributing the benefits of agricultural production more broadly.[23]

Riverview's planned expansion creating a 18,500-cow facility in Stevens County would represent a level of concentration not previously seen in the state. While such projects are often framed in terms of job creation, they reflect a consolidation of economic activity that would otherwise be distributed across dozens of independent farms and families.

Ensuring that more farmers can remain on the land and participate in a fair market will require targeted action on the part of public policy makers.

Policy Considerations

1) Strengthen fair market protections.
Policymakers should examine whether current rules adequately prevent anti-competitive practices and ensure that all farmers have equitable access to buyers and contracts.

2) Protect shared natural resources.
Water, land, and air are essential public resources. Policies should ensure that no single operation is able to use these resources in ways that limit access for others or impose disproportionate costs on surrounding communities.

3) Invest in diversified and regional processing infrastructure.
Expanding local and regional dairy processing capacity, particularly for value-added products, can create more market opportunities and reduce dependence on a small number of buyers.

4) Expand local and institutional markets
Programs that connect farmers to schools, hospitals, and other institutions can help build stable, local demand for dairy products and support more resilient supply chains.

The bottom line: without action, current trends are likely to accelerate the loss of independent farms and further concentrate control over Minnesota's dairy economy, with lasting consequences for rural communities and the state's agricultural future.

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Land Stewardship Project

The Land Stewardship Project (LSP) is a nonprofit organization dedicated to fostering an ethic of stewardship for farmland, promoting sustainable agriculture, and developing healthy communities in the food and farming system. LSP has offices in the Minnesota communities of Montevideo, Lewiston, and South Minneapolis.

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