

EXPANSION IS CONSISTENT

Dairying has experienced no phenomenal spurts or disastrous setbacks during its development. Its growth has probably been the most consistent of the major agricultural enterprises. Milk cow numbers increased gradually from 17,125,000 on hand January 1, 1910, to a maximum of 27,770,000 on the same date in 1945. From that time there has been a gradual decline until on January 1, 1956, there were only 23,318,000 on hand. The change from year to year has never exceeded 5 percent whereas the number of beef cows—or cows other than milk cows—has varied nearly twice as much. Likewise, the production of milk during any one year has not changed more than 5 percent from the year before, whereas beef production frequently has changed as much as 10 or 12 percent; during 1953 total beef production was practically 25 percent greater than in 1952.

The greater variation in the yearly production of beef is partly due to the sale of cull cows from milking herds and partly to the diverse conditions under which beef cattle are raised and fed. The beef industry has developed in regions of more variable crop-growing conditions and in areas of greater economic flexibility than has dairying. Production conditions in these beef areas are excellent for the grain crops used in the fattening and finishing of beef cattle for market or for hog feeding. The individual grain producer may use either of these classes of livestock for disposing of his feed supplies depending upon the relative costs of animals to be fed and prospective prices for livestock when ready for market; or he may sell the grain as a cash crop.

The result of this interplay of economic situations is a less variable yearly production of all red meats than is the case of either beef or pork alone, but a more variable production pattern than for milk. This situation is reflected in the yearly average

INDEX NUMBERS OF AVERAGE YEARLY PRICES RECEIVED BY FARMERS FOR MILK, CATTLE, AND HOGS: 1944-1954 (1944-1953=100)

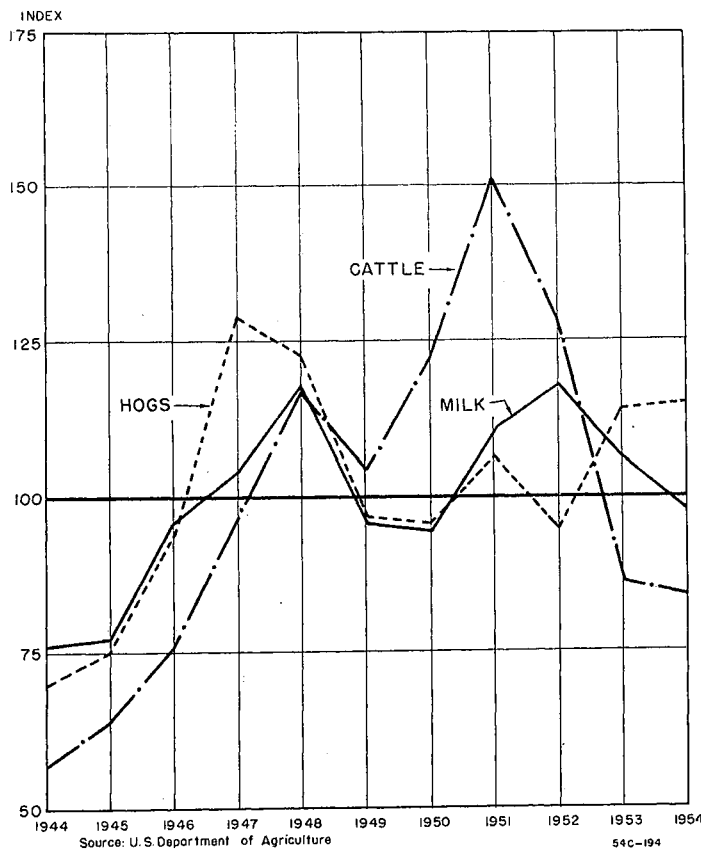


Figure 1.

prices farmers receive for these products (see fig. 1). During the decade ending in 1953, the average yearly prices received by farmers either for cattle or for hogs varied more than did the prices received for milk. A study of prices of dairy products covering several decades shows that milk prices to farmers do not go as high as do prices of other agricultural products when demand is suddenly increased. Neither have they in the past gone as low as other prices when depressed conditions for agriculture prevail. Dairying is one of the most stable of agricultural enterprises.

MARKETING PROBLEMS

Dairy farming meets unusual problems in the marketing of some of its products. No suitable substitute has been found for whole milk as a human food and skim milk products are filling a unique place in meeting certain nutrition needs. Therefore, the market for both continues to expand. The situation is different with butterfat. Other fats and oils compete directly with it in both cooking and baking and as a spread for bread. Competition has been so keen that the place of butter in the diet has been greatly reduced. Although we are using as much edible fats and oils per capita as before, butterfat accounts for a much smaller fraction of this consumption, and a much smaller proportion of milk is used for making butter. During 1925 nearly one-half (44 percent) of all milk was used for this purpose (Table 1). Since then a steady and consistent drop in this use has taken place; during 1955 only 25 percent of all milk was used for butter production—a decrease of nearly 50 percent.

Table 1.—PERCENTAGE DISTRIBUTION OF MILK BY USE, FOR THE UNITED STATES: 1925 TO 1955

Year	Percent of milk used for—					Total
	All butter	Fluid consumption	Manufactured products		Other uses	
			Cheese	Other		
1925.....	44.4	41.1	5.3	6.6	2.6	100.0
1930.....	42.2	40.3	5.0	6.8	5.7	100.0
1935.....	42.9	40.0	6.1	6.9	4.1	100.0
1940.....	40.3	39.2	7.1	9.0	4.4	100.0
1945.....	28.2	43.7	9.2	13.9	5.0	100.0
1950.....	28.1	45.1	10.1	13.2	3.5	100.0
1955.....	24.9	47.2	10.9	13.2	3.8	100.0

Source: Milk, Farm Production, Disposition and Income. 1964-55 U. S. D. A.—A. M. S. 30 (1954-55) April 1956.

The proportion of milk used for most other purposes has increased during this period. The greatest proportionate increase has been in the manufactured products of cheese and condensed and evaporated milk. Milk used for fluid consumption increased from 41 percent of all milk produced in 1925 to 47 percent in 1955. Aggregate milk production increased more than one-third during this period.

The quantity of milk used on farms where produced dropped from 27 million pounds in 1925 to 15 million in 1955. Nine million pounds of this decrease is the result of less farm-churned butter; another 3 million pounds represents the reduction in the consumption of fluid milk and cream by farm families. This decrease in farm use is accounted for partly by a reduction of one-fourth in the number of farms during this 30-year period and partly by the farm family's turning to the use of creamery rather than homemade butter. Even so, there is now being used on farms where produced only 310 pounds milk equivalent per farm family in comparison with 425 pounds 30 years ago.

A current surplus of milk exists even though there are not so many milk cows in this country now as in 1924 and population has increased 46 percent. This is especially striking because the per capita production of milk during this time decreased from 821 pounds to 742 pounds (Table 2).