

Table 2.—MILK PRODUCTION AND POPULATION OF THE UNITED STATES: 1924 TO 1955

Year	Average number of milk cows on farms <sup>1</sup> (thousand)	Population (thousand)	Population per milk cow	Milk production		
				Total (millions of pounds) <sup>1</sup>	Per capita (pounds)	Per cow (pounds)
1924	21,417	114,113	5.3	93,660	821	4,167
1930	22,218	123,077	5.5	102,984	837	4,508
1940	23,671	131,954	5.6	111,512	845	4,622
1945	25,033	132,481	5.3	120,628	910	4,787
1950	21,944	150,697	6.9	117,302	778	5,314
1955	21,232	166,540	7.8	123,554	742	5,815

<sup>1</sup> Source: Dairy Statistics, Statistical Bulletin No. 134, Revised May 1956—U. S. Department of Agriculture.

Current oversupply of dairy products with its ensuing price problem is created not so much by milk producers as by the change in consumer habits. The loss of the butter market to date amounts to an equivalent of 160 pounds of milk per capita.

The Commodity Credit Corporation has bought and disposed of the equivalent of 32 billion pounds of milk since 1949 in its efforts to maintain prices of dairy products.<sup>1</sup>

Further changes in consumer habits are reflected in other dairy products. Conspicuous increases in per capita consumption of fluid milk, condensed and evaporated milk, and total cheese and milk products used in frozen desserts, have taken place since 1924. The only decrease in the per capita consumption of dairy products, on the other hand, was in butter, already mentioned. Total civilian consumption of dairy products during 1955 was 700 pounds milk equivalent per capita in comparison with 785 pounds during 1924.

CHANGES IN DAIRY FARMING

The number of farms producing milk and cream is changing with changing economic conditions. Milk cows were reported on 3,648,000 farms, or 68 percent of all farms, in 1950 (Table 3). This number had decreased to 2,956,000 farms, or 62 percent of all farms, 5 years later. Meanwhile, the number of cows increased from 6 cows per farm in 1950 to 7 in 1954.

Table 3.—CHANGES IN NUMBER OF FARMS HAVING MILK COWS AND NUMBER OF COWS PER FARM, FOR THE UNITED STATES: 1910 TO 1954

Year	Number of farms			Milk cows per farm
	Total	With milk cows		
		Number	Percent of total	
1910	6,361,502	5,140,869	81	3.3
1920	6,448,343	4,461,296	69	4.4
1930	6,288,648	4,452,936	71	4.6
1940	6,096,799	4,644,317	76	5.2
1950	5,382,162	3,648,257	68	5.8
1954	4,782,416	2,956,900	62	6.9

Dairy farms have decreased in number. In 1949, there were 602,000; in 1954 there were 549,000—a drop of 9 percent. This is slightly less than the decrease of 10½ percent in the total number of commercial farms during that time (see figs. 2 and 3). Most of this reduction is in the smaller farms. The remaining dairy farms averaged 20 cows per farm in 1954 as compared with 16 as

<sup>1</sup> See Appendix article "Dairy Products and Price Supports."

an average in 1949. The greatest reduction has taken place in areas that have enjoyed the best prices for dairy products; conversely, the areas with the lower prices show less reduction. To some extent these area differences are associated with alternative opportunities, both on the farm and off the farm. The Northeastern Dairy Area, where milk prices are somewhat higher than in the Midwest but where off-farm employment opportunities have been generally good, had a reduction of 11½ percent during the 5-year period. On the other hand, the Lake area, where the prices of dairy products are not so satisfactory as in the East, showed less than half this rate of reduction—5½ percent.

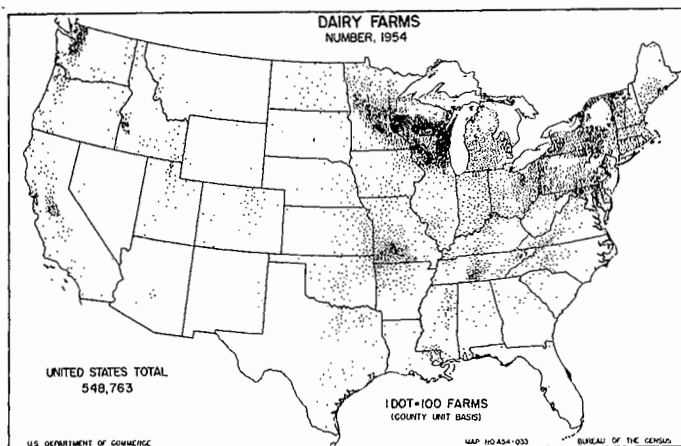


Figure 2.

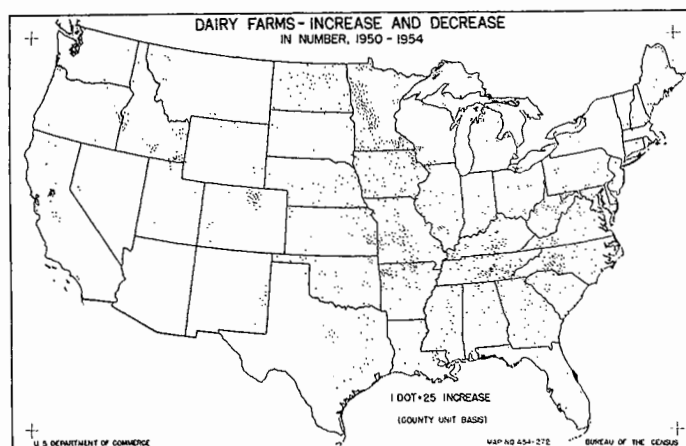


Figure 3.

When the figures for the Lake Area are given by States the picture is confusing. Wisconsin showed a reduction of 8 percent in the number of dairy farms, whereas Minnesota showed less than two-tenths of 1 percent. Most of the increases in number of dairy farms are outside the important dairy areas, whereas the decreases are notably within. These shifts would suggest that some farmers outside the dairy areas are finding price relationships good enough, compared to alternatives, to justify going into the production of milk and cream, whereas the number of dairy farms is decreasing within the dairy belt. That dairying outside the main dairy areas is mostly secondary to other enterprises on the individual farms may help to explain this situation.