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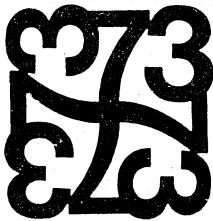
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Economic Research Service

OUTLOOK FOR DAIRY

Talk by A. G. Mathis

Economic and Statistical Analysis Division  
at the 1973 National Agricultural Outlook Conference  
Washington, D.C., 3:30 P.M., Tuesday, February 20, 1973

Dairymen's production costs are rising faster than their gross incomes in early 1973, and this year's net returns may be down from 1971 and 1972. High feed prices along with poor quality roughage and short feed supplies in some key producing States are limiting milk production this year probably to about the same or a slightly lower level than the 120.3 billion pounds in 1972. The impact of the feed situation is showing up chiefly in a smaller than average rise in milk output per cow. Also, the pace of milk cow slaughter has quickened somewhat as farmers trim their herds in accordance with feed supplies, and some farmers quit dairying.

Milk output per cow, which rose  $2\frac{1}{2}$  percent in 1972, was up less than 1 percent in December and January. The rate likely will improve as this year's pasture and forage crops become available and with more normal grain and protein feed prices next fall. In January, cow numbers were down 1.4 percent from a year earlier, compared with a decline of 1.1 percent in the middle of 1972.

With the tighter 1973 supply situation, the average price of all milk sold to plants and dealers is averaging about \$6.45 per 100 pounds in the first quarter, up about 6 percent from a year earlier. For the year, milk prices promise to average about 4-5 percent more than 1972, if dairy supports are set at 75 percent of parity and Federal order pricing is not changed. This year manufacturing milk prices should average well above 75 percent of parity.

Higher prices should more than offset lower marketings and bring farmers' gross cash receipts from dairying to nearly \$7.5 billion in 1973, compared with a little less than \$7.2 billion last year. However, relatively high production costs in the first half of 1973 will limit net returns and likely drop them below 1971 and 1972 levels.

In 1972, tighter commercial dairy supplies and the erosion of CCC stocks of nonfat dry milk and cheese caused wholesale prices of dairy products to stiffen after mid-year. Both cheese and nonfat dry milk prices were maintained at high

levels in December-January. However, these increases have so far been only partially reflected in retail prices.

Retail dairy prices in 1972 rose about  $1\frac{1}{2}$  percent from a year earlier, the smallest rise in 7 years, but prices will likely show more strength this year. All food prices rose 4.3 percent in 1972 and real disposable income was up 3.8 percent. The return of servicemen to the United States and increased food stamp distribution added to market strength. These additions, together with the 1972 dairy retail price and income patterns and high meat prices, brought dairying its first substantial increase in commercial disappearance since 1966. A 12 percent rise in cheese and an 11 percent increase for lowfat milk sales led the gains, but sales of most major dairy products rose, except canned milk and nonfat dry milk. With larger retail dairy price increases, less gain in food stamp distribution, and fewer returning veterans, sales gains in 1973 are expected to be limited.

The ability of the dairy industry to maintain or exceed 1972 commercial sales will be an important determinant of prices this year, since supplies are in near balance with market demand.

The good sales picture in 1972 brought the first gain in per capita consumption of dairy products in nearly two decades--to the equivalent of 563 pounds of milk per person from 558 pounds in 1971. Some decline in family welfare and school lunch distribution of dairy products occurred as CCC cheese supplies ran out and the food stamp program expanded. However, per capita consumption may again tip downward in 1973.

Last year rising sales absorbed the increase in milk output and reduced CCC net removals of dairy products from the market to the equivalent of 5.4 billion pounds of milk compared with 7.3 billion in 1971. Despite this year's smaller rise in dairy sales, CCC's market role may again decline, since a production drop is reducing market supplies. Butter purchases (now running some 5 million pounds weekly) probably will be lower in 1973 while nonfat dry milk purchases--nil so far--are expected to fall to less than half of the 335 million pounds of 1972.

CCC's uncommitted stocks of nonfat dry milk and cheese are gone and its butter stocks entering 1973 were only a little above a year earlier. Commercial holdings of butter are the lowest in history, but cheese stocks have increased a little to service the rising cheese market. Thus, commercial dairy stocks at the beginning of 1973 were close to the minimum level needed to service the commercial market. After last year's seasonal rise in butter and nonfat dry milk prices as commercial stocks were exhausted, commercial holdings of these products next fall likely will rise from 1972 levels. Although CCC supplies will continue low, increases in commercial stocks may hold beginning 1974 dairy stocks close to year-earlier levels.

U.S. dairy exports declined in 1972 to the equivalent of about  $1\frac{1}{2}$  billion pounds of milk and likely will be even lower this year, since foreign dairy

supplies are at high levels. Excess dairy supplies in the EC and Oceania are seeking new markets. Dairy imports rose to the equivalent of 1.7 billion pounds in 1972 from the low 1.3 billion level of 1971, and may hold about steady in 1973. Short domestic supplies of solids-not-fat in late 1972 and early this year induced the United States to allow entry of 25 million pounds of foreign nonfat dry milk in addition to the annual 1.8 million pounds under quota. Improved management of nonfat dry milk stocks this fall is expected to make it unnecessary to lift the quota further this year.

### The Future

If feed prices and supplies return to more normal levels, U.S. milk output likely will resume the upward trend interrupted by this year's extraordinary feed situation. Even with the dairy price support level at the minimum 75 percent of parity, dairy farmers are assured of annual price increases of 20 to 30 cents per 100 pounds of milk--3 to 4 percent. The future of dairy farming will depend greatly on the dairy industry's ability to build or maintain sales. Last year's  $3\frac{1}{2}$  percent sales increase raised prices from below the support level to substantially higher levels and wiped out the chronic surplus that has pestered the industry for most of the last 2 decades.

In the past, dairy output has adjusted to market demand better than most price-support commodities. If consumption trends of recent years continue, and the industry approximately balances output with market demand, U.S. milk production will vary little in the 1980's from present levels. However, increasing market demand for nofat milk solids promises to force increasing attention to greater food use of whey solids. Unless a major portion of whey can be used to replace our declining nonfat dry milk output, it will become necessary to import nonfat milk solids or find nondairy substitutes.

# DAIRY OUTLOOK CHARTS

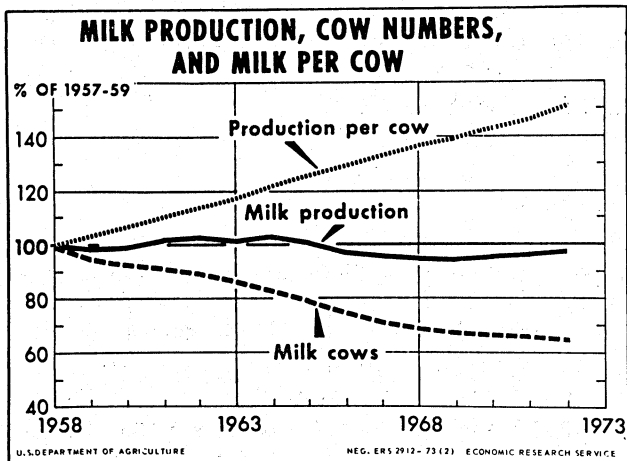


Figure 1

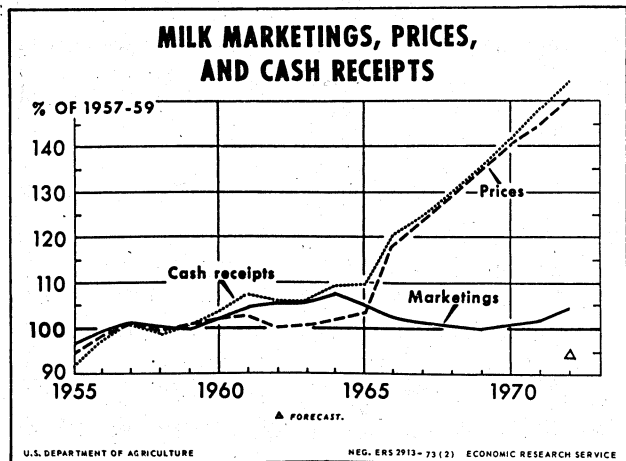


Figure 2

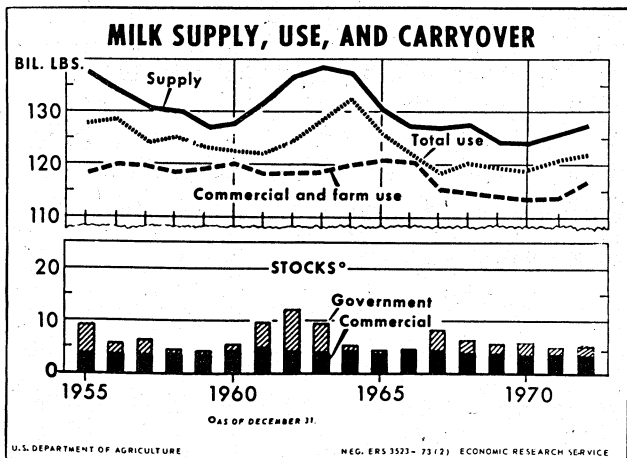


Figure 3

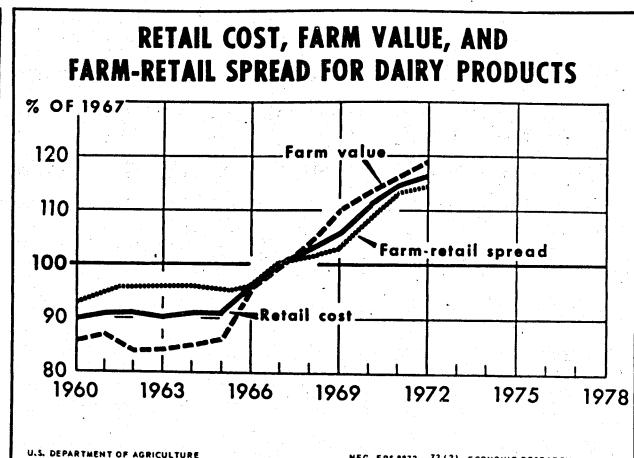


Figure 4

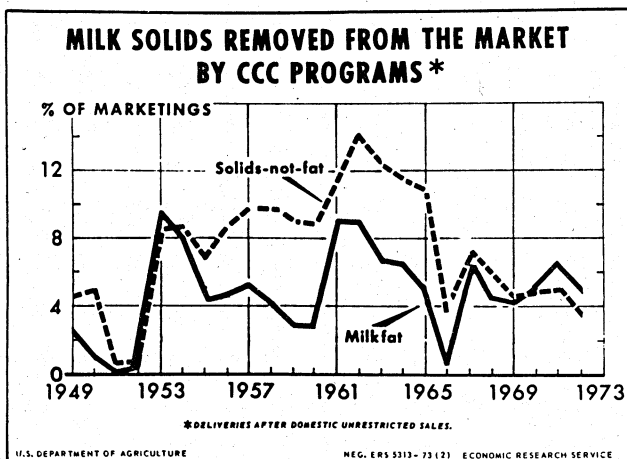


Figure 5

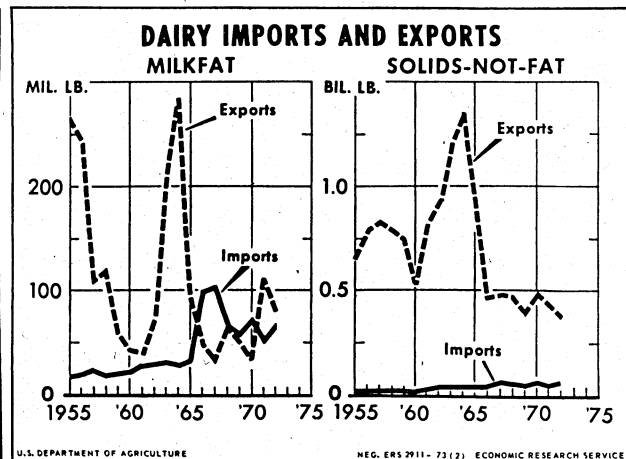


Figure 6

# CURRENT SITUATION CHARTS

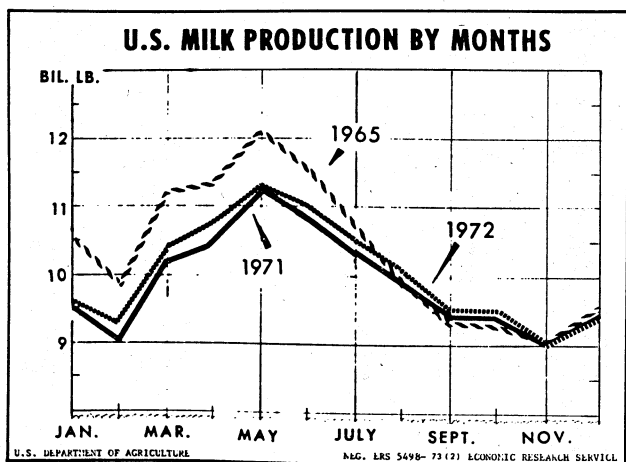


Figure 7

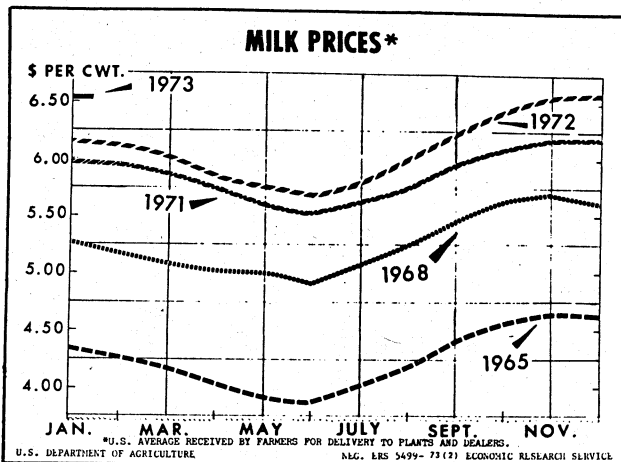


Figure 8

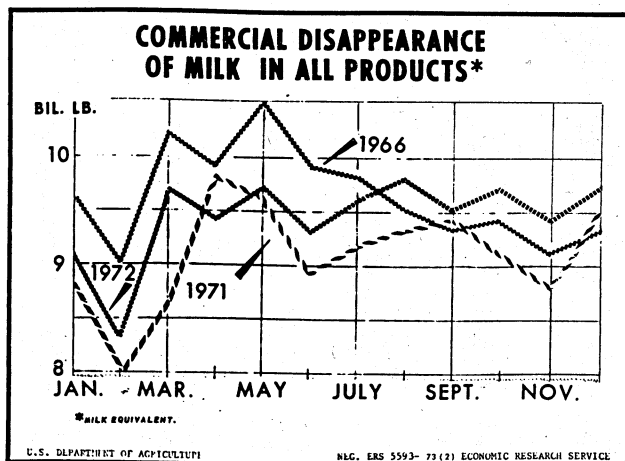


Figure 9

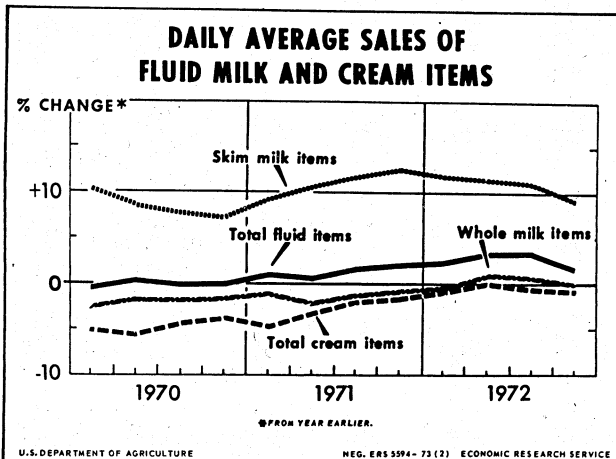


Figure 10

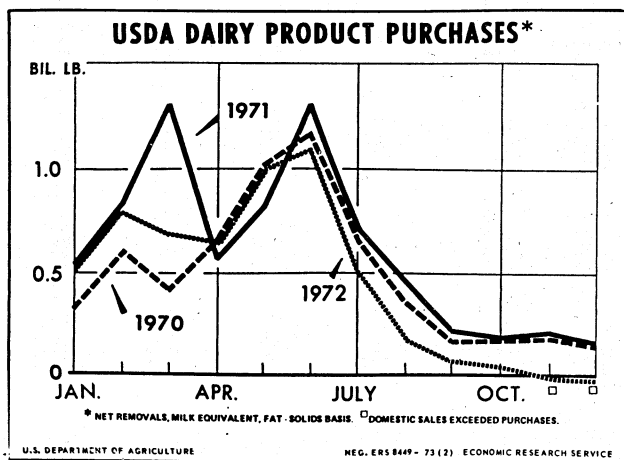


Figure 11

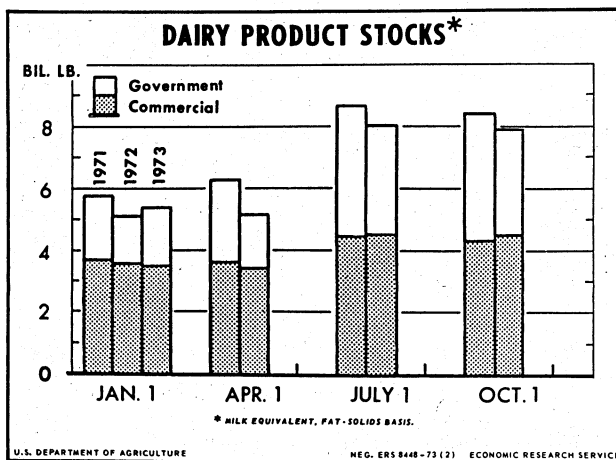


Figure 12

Table 1.--Milk production and factors affecting supply, United States,  
selected years, 1950-73

Year	Milk cattle on farms, January 1 1/			Milk cows on farms, average during year	Milk production		Prices received by farmers, 1967=100	
	Milk cows and heifers that have calved	Milk cow replace- ments; heifers 500 pounds and over			Per cow	Total	Dairy products	All farm products
		Total	Per 100 cows					
Thou.	Thou.	No.	Thou.	Lb.	Mil. lb.			
1950	22,000	6,945	31.6	21,944	5,314	116,602	81	102
1955	21,320	6,832	32.0	21,044	5,842	122,945	81	91
1960	17,650	5,686	32.2	17,515	7,029	123,109	84	94
1961	17,390	5,435	31.3	17,243	7,290	125,707	85	94
1962	17,090	5,349	31.3	16,842	7,496	126,251	83	96
1963	16,570	5,186	31.3	16,260	7,700	125,202	83	96
1964	15,960	4,978	31.2	15,677	8,099	126,967	84	93
1965	15,380	4,780	31.1	14,953	8,305	124,180	85	98
1966	14,490	4,450	30.7	14,071	8,522	119,912	96	105
1967	13,725	4,215	30.7	13,415	8,851	118,732	100	100
1968	13,115	4,080	31.1	12,832	9,135	117,225	104	103
1969	12,550	3,990	31.8	12,307	9,434	116,108	109	108
1970	12,091	3,880	32.1	12,000	9,747	116,962	113	110
1971	11,909	3,843	32.3	11,842	10,009	118,532	116	112
1972 2/	11,778	3,828	32.5	11,710	10,271	120,278	119	126
1973 2/	11,651	3,875	33.3					
Average prices received by farmers per 100 pounds					Parity prices per 100 pounds 3/			
All milk, whole- sale	Milk, eligible for fluid market	Milk, manufac- turing grade	Bottling milk 4/	Milkfat in cream 5/	All milk, whole- sale	Milkfat in cream 5/	Equivalent for manu- facturing milk	
Dol.	Dol.	Dol.	Dol.	Ct.	Dol.	Ct.	Dol.	
1950	3.89	4.36	3.16	4.86	62.0	4.32	69.2	3.82
1955	4.01	4.50	3.15	5.18	57.8	4.71	74.1	3.94
1960	4.21	4.69	3.25	5.48	60.5	5.01	74.1	4.01
1961	4.22	4.65	3.36	5.43	61.5	5.13	74.9	4.09
1962	4.09	4.54	3.20	5.35	59.4	5.25	76.2	4.15
1963	4.10	4.53	3.21	5.31	59.5	5.33	77.2	4.18
1964	4.15	4.58	3.26	5.35	60.2	5.38	77.3	4.20
1965	4.23	4.63	3.34	5.39	61.1	5.53	79.2	4.31
1966	4.81	5.17	3.97	5.82	67.2	5.73	82.1	4.47
1967	5.02	5.43	4.06	6.20	68.2	5.88	84.0	4.62
1968	5.24	5.67	4.22	6.50	68.4	6.06	86.1	4.79
1969	5.49	5.87	4.45	6.70	68.9	6.49	91.5	5.15
1970	5.71	6.05	4.70	6.94	70.0	6.87	95.3	5.49
1971	5.87	6.19	4.86	7.12	69.0	7.21	99.1	5.79
1972 2/	6.09	6.40	5.09	7.26	69.4	7.70	103.0	6.21

1/ Prior to 1965, estimated by Livestock Section, ERS.

2/ Preliminary.

3/ At beginning of marketing year.

4/ Dealers' average buying price for milk used in fluid products.

5/ Cents per pound.

Table 2.--Dairy: Feed costs, milk cow and other livestock prices, milk-livestock price ratios, and feed consumed, United States, selected years, 1950-72

Year	Dairy ration cost		Milk cow cost		Livestock prices and milk-livestock price ratios			
	Value per 100 pounds	Milk-feed price ratio	Price received per head	Milk required to buy a cow	Beef-cattle price per 100 pounds	Manufacturing milk-beef price ratio	Hog price per 100 pounds	Manufacturing milk-hog price ratio
	Dol.	Lb.	Dol.	Cwt.	Dol.	Lb.	Dol.	Lb.
1950	3.16	1.24	198	51	23.30	0.14	18.00	0.18
1955	3.16	1.28	146	36	15.60	.20	15.00	.21
1960	2.92	1.45	223	53	20.40	.16	15.40	.21
1961	2.92	1.45	224	53	20.20	.17	16.60	.20
1962	2.95	1.40	221	54	21.30	.15	16.30	.20
1963	3.04	1.36	215	52	19.90	.16	14.90	.22
1964	3.03	1.38	209	50	18.00	.18	14.80	.22
1965	3.03	1.40	212	50	19.80	.17	20.80	.17
1966	3.15	1.53	246	51	22.20	.18	23.00	.18
1967	3.23	1.56	260	52	22.20	.18	19.00	.22
1968	3.10	1.70	274	52	23.40	.18	18.70	.23
1969	3.15	1.75	300	55	26.20	.17	22.90	.20
1970	3.28	1.74	332	58	27.10	.17	21.90	.22
1971	3.44	1.71	358	61	29.00	.17	18.00	.27
1972 1/	3.46	1.76	391	64	33.20	.15	25.98	.20
Grain and other concentrates fed to milk cows			Dairy pasture		Alfalfa hay prices		Quantity fed per cow, winter feeding period ending in May 2/	
Total fed 3/	Per cow 3/	Per 100 pounds of milk produced 4/	condition, as percent of normal	feed	Received by farmers per ton	Paid by farmers per ton	Hay	Total hay equiv- alent
Thou. tons	Lb.	Lb.	Pct.		Dol.	Dol.	Tons	Tons
1950	18,516	1,629	30.6	83	23.10	30.90	2.2	1.7
1955	18,664	1,758	30.1	77	22.00	33.70	2.2	2.2
1960	19,821	2,259	32.2	82	21.00	31.60	2.5	2.7
1961	20,916	2,404	33.2	84	21.00	30.90	2.5	2.6
1962	21,617	2,533	34.3	80	21.40	30.60	2.5	2.8
1963	21,858	2,646	35.1	73	23.50	32.90	2.4	2.8
1964	22,464	2,800	35.9	73	24.00	32.60	2.4	3.1
1965	22,827	2,953	36.7	80	24.00	33.00	2.4	3.2
1966	22,569	3,000	37.6	78	24.70	33.40	2.3	3.3
1967	22,790	3,374	38.3	80	23.60	34.08	2.4	3.5
1968	22,886	3,519	39.1	83	23.00	32.94	2.4	3.6
1969	23,615	3,726	40.7	82	23.90	34.08	2.4	3.9
1970	24,870	3,979	42.4	81	24.70	34.69	2.4	3.9
1971	25,107	4,070	42.4	78	27.10	37.57	2.4	4.9
1972 1/	25,600	4,200	42.5	81	31.45	40.15	Series discontinued	

<sup>1/</sup> Preliminary.

<sup>2/</sup> In herds kept by dairy reporters.

<sup>3/</sup> Not comparable to earlier years, beginning 1966.

<sup>4/</sup> On farms where milk or cream was sold. Beginning 1966, data are for all farms where milk was produced.



Table 3.--Milk marketings and cash receipts, United States, selected years, 1950-72 <sup>1/</sup>

Year	Milk used on farms where produced	Milk marketed by farmers				Cash receipts from milk marketed by farmers													
		Sold to plants and dealers		Retailed by farmers as milk and cream	Total	Milk sold to plants and dealers	Cream sold to plants and dealers	Retailed by farmers	Total										
		As whole milk	As farm separated cream																
----- Billion pounds -----										----- Billion dollars -----									
1950	18.3	74.2	20.2	3.9	98.3	2.9	0.5	0.3	3.7										
1955	14.6	91.0	14.7	2.7	108.3	3.6	.3	.3	4.2										
1960	9.2	103.9	7.9	2.1	114.0	4.4	.2	.2	4.8										
1961	8.4	108.4	6.9	2.1	117.3	4.6	.2	.2	4.9										
1962	7.7	110.7	5.9	2.0	118.6	4.5	.1	.2	4.9										
1963	7.1	111.2	5.1	1.9	118.1	4.6	.1	.2	4.9										
1964	6.5	114.2	4.4	1.9	120.5	4.7	.1	.2	5.0										
1965	6.0	112.7	3.7	1.8	118.2	4.8	.1	.2	5.0										
1966	5.5	109.7	3.0	1.7	114.4	5.3	.1	.2	5.5										
1967	5.2	109.4	2.4	1.8	113.6	5.5	.1	.2	5.7										
1968	4.7	108.8	2.0	1.8	112.6	5.7	2/	.2	6.0										
1969	4.3	108.5	1.6	1.7	111.8	6.0	2/	.2	6.2										
1970	4.1	110.0	1.2	1.7	112.9	6.3	2/	.2	6.5										
1971 3/	3.8	112.1	1.0	1.6	114.7	6.6	2/	.2	6.8										
1972 4/	3.6	114.4	.8	1.5	116.7	7.0	2/	.2	7.2										

<sup>1/</sup> Totals may not add due to rounding. <sup>2/</sup> Less than 50 million dollars. <sup>3/</sup> Preliminary. <sup>4/</sup> Estimated.

Table 4.--Utilization of milk supply, United States, selected years, 1950-72 <sup>1/</sup>

Year	Fluid	Creamery butter, net	Cheese			Evapo-rated and condensed whole milk	Dry whole milk	Frozen dairy products, net	Other factory products	Total factory products <u>2/</u>	Miscellaneous <u>3/</u>
			American	Other	Creamed cottage						
----- Billion pounds -----											
1950	42.4	27.8	9.0	2.9	<u>4/</u>	6.9	1.0	6.9	0.7	55.2	0.7
1955	49.1	28.0	10.1	3.5	<u>4/</u>	6.3	.8	8.2	1.2	58.0	1.2
1960	53.0	29.4	9.7	3.7	1.0	5.5	.7	9.5	.4	59.8	1.2
1961	52.6	31.8	11.2	3.7	1.0	5.4	.6	9.6	.4	63.6	1.2
1962	53.3	33.1	10.7	3.7	1.0	5.0	.6	9.7	.4	64.1	1.2
1963	54.3	30.7	10.9	3.9	1.0	5.0	.7	9.9	.5	62.7	1.3
1964	54.9	31.3	11.5	4.2	1.0	5.0	.6	10.3	.6	64.5	1.1
1965	55.4	28.5	11.5	4.3	1.0	4.6	.7	10.6	.6	61.8	1.2
1966	55.4	23.7	12.2	4.5	1.0	4.7	.7	10.5	.6	57.9	2.5
1967	54.0	26.1	12.7	4.5	1.0	4.0	.5	10.5	.3	59.8	1.2
1968	53.7	24.9	12.7	4.7	1.1	3.9	.6	11.0	.4	59.2	1.2
1969	52.8	23.7	12.7	4.9	1.2	3.9	.5	11.0	.4	58.3	1.0
1970	52.0	23.9	14.2	5.3	1.2	3.3	.5	11.0	.5	60.0	1.4
1971	51.8	23.9	15.1	5.8	1.3	3.2	.5	11.0	.6	61.5	1.6
1972 <u>5/</u>	52.1	23.2	16.7	6.3	1.4	3.0	.6	11.2	.6	63.0	1.8

<sup>1/</sup> Total supply includes milk marketed by farmers, net imports of ingredients such as frozen cream, "ice cream," and butterfat-sugar mixtures, and net change in storage cream. <sup>2/</sup> May not add due to rounding. <sup>3/</sup> Residual, including miscellaneous minor uses and any inaccuracies of independently determined use items. <sup>4/</sup> Included in other factory products. <sup>5/</sup> Preliminary.

Table 5.--Factors influencing and indicative of the demand for milk and dairy products, United States, 1950-72 <sup>1/</sup>

Year	Total population July 1 (including Armed Forces overseas)	Total civilian employment	Per capita disposable income		Civilian per capita disappearance				
			Actual	Deflated by consumer price index	Milk equivalent		Milk solids		Margarine
					Fat solids basis	Calcium content basis	Milk-fat	Solids-not-fat	
	Million	Million	Dollars	Dollars	Pounds	Pounds	Pounds	Pounds	Pounds
1950	151.7	58.9	1,364	1,892	740	507	29.3	43.6	6.1
1955	165.3	62.2	1,666	2,077	706	525	27.2	44.5	8.2
1960	180.7	65.8	1,937	2,184	653	512	24.5	43.4	9.4
1961	183.7	65.7	1,984	2,214	641	505	24.0	43.0	9.4
1962	186.5	66.7	2,065	2,279	641	505	23.9	43.0	9.3
1963	189.2	67.8	2,138	2,332	632	503	23.4	42.3	9.6
1964	191.9	69.3	2,283	2,457	632	505	23.4	42.6	9.7
1965	194.3	71.1	2,436	2,578	620	503	22.9	42.6	9.9
1966	196.6	72.9	2,604	2,679	604	503	22.3	42.4	10.5
1967	198.7	74.4	2,749	2,749	581	494	21.4	41.6	10.5
1968	200.7	75.9	2,945	2,826	577	497	21.2	41.8	10.8
1969	202.7	77.9	3,130	2,851	570	494	20.9	41.7	10.8
1970	204.9	78.6	3,366	2,894	562	486	20.6	41.1	10.9
1971	207.0	79.1	3,595	2,964	558	488	20.5	41.1	11.1
1972 <sup>2/</sup>	208.8	81.7	3,812	3,045	563	488	20.7	41.2	11.2
Average retail prices, BLS index, 1967=100									
	Consumer price	All foods	Dairy products	Fluid milk, grocery	Butter	Cheese, American process	Ice cream	Evaporated milk	Margarine, colored
1950	72.1	74.5	72.6	71.9	83.4	65.0	102.9	71.9	100.0
1955	80.2	81.6	80.2	81.1	81.5	72.4	98.5	77.6	93.7
1960	88.7	88.0	88.4	91.1	86.7	76.2	100.7	89.7	88.6
1961	89.6	89.1	89.8	91.4	88.5	81.0	100.5	90.4	94.5
1962	90.6	89.9	89.2	90.9	87.2	80.6	99.8	88.8	93.9
1963	91.7	91.2	88.9	90.5	87.1	81.0	99.1	87.8	91.0
1964	92.9	92.2	89.7	90.8	88.0	83.2	97.2	87.6	91.0
1965	94.5	94.4	90.0	90.3	89.4	85.5	95.4	89.7	97.2
1966	97.2	99.1	95.8	96.1	97.3	95.8	97.6	94.2	99.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	103.3	104.1	100.8	102.1	99.8	102.0	98.6
1969	109.8	108.9	106.7	107.0	102.1	107.7	100.5	105.2	98.3
1970	116.3	114.9	111.8	111.6	104.5	115.6	104.8	111.9	106.0
1971	121.3	118.4	115.3	114.6	105.8	121.0	106.2	118.6	116.0
1972 <sup>2/</sup>	125.3	123.5	117.1	116.3	105.3	124.7	106.5	120.0	117.6

<sup>1/</sup> Includes available data for Alaska and Hawaii beginning 1960. <sup>2/</sup> Preliminary.

Table 6.--Commercial disappearance: Total milk, annual and by quarters, 1970-72 1/

Item	1970	1971					1972 <u>2/</u>					
		By quarters					Annual	By quarters				Annual
		Total	1st	2nd	3rd	4th	Total	1st	2nd	3rd	4th	Total
----- Billion pounds -----												
Production	117.1	28.8	32.5	29.6	27.8	118.6	29.4	33.0	30.1	27.9	120.4	
Farm use	4.1	1.0	1.0	1.0	.9	3.8	.9	.9	.9	.9	3.6	
Marketings	113.0	27.8	31.5	28.6	26.9	114.8	28.5	32.1	29.2	27.0	116.8	
Beginning commercial stocks	3.8	3.7	3.6	4.5	4.3	3.7	3.6	3.4	4.5	4.5	3.6	
Imports	1.9	.3	.3	.4	.3	1.3	.5	.3	.4	.5	1.7	
Total supply	118.7	31.8	35.5	33.5	31.5	119.8	32.6	35.8	34.1	32.0	122.0	
Ending commercial stocks	3.7	3.6	4.5	4.3	3.6	3.6	3.4	4.5	4.5	3.5	3.5	
Net removals (CCC and PIK)	5.8	2.7	2.7	1.4	.5	7.3	2.0	2.8	.7	*-.1	5.4	
Commercial disappearance												
Actual	109.2	25.5	28.3	27.9	27.3	109.0	27.2	28.4	28.8	28.7	113.1	
Percent change <u>3/</u>	0	-4.7	+3.4	+3	+1	-.2	<u>4/</u> +5.2	+6	+3.4	+5.1	<u>4/</u> +3.5	

1/ Milk equivalent, fat solids basis. Totals may not add due to rounding. 2/ Preliminary. 3/ From year earlier. 4/ On a daily average basis. \*Domestic sales exceeded purchases.

Table 7.--Milk equivalent: Domestic civilian disappearance, commercial and noncommercial sources, total and per capita, United States, 1950, 1955, and 1960-72

Year	Civilian disappearance						Consumption excluding donations from USDA supplies		
	Con- sumed on farms 1/	USDA dona- tions to civilian channels	National: School Lunch and Special Milk Programs	Commer- cial sources	All sources	Total military utiliza- tion 2/	Civilian	Military	Total
-----Million pounds-----									
1950	14,250	1,271	623	94,964	111,108	1,766	109,837	1,766	111,603
1955	11,359	3,102	1,394	98,697	114,552	3,329	111,450	2,627	114,077
1960	6,610	2,040	2,455	105,259	116,364	2,532	114,324	2,228	116,552
1961	5,950	3,385	2,602	104,191	116,128	2,472	112,743	2,111	114,854
1962	5,334	4,848	2,755	104,839	117,776	2,969	112,928	2,344	115,272
1963	4,813	4,929	2,902	105,239	117,883	2,964	112,954	2,415	115,369
1964	4,337	5,206	3,031	107,008	119,582	3,007	114,376	2,525	116,901
1965	3,913	3,593	3,215	107,971	118,692	2,819	115,099	2,387	117,486
1966	3,492	1,129	3,311	108,791	116,723	2,376	115,594	2,376	117,970
1967	3,152	3,109	3,338	103,851	113,450	2,117	110,341	2,117	112,458
1968	2,841	4,112	3,376	103,341	113,670	3,295	109,558	2,186	111,744
1969	2,570	4,523	3,435	102,931	113,459	2,696	108,936	2,051	110,987
1970	2,369	4,209	3,462	103,298	113,338	2,419	109,129	1,788	110,917
1971	2,177	4,585	3,494	103,684	113,940	2,031	109,355	1,608	110,963
1972 3/	2,000	3,839	3,500	106,933	116,272	1,720	112,433	1,407	113,840
-----Pounds-----									
Per capita civilian disappearance 4/									
	Consumed on farms 1/	USDA donations to civilian channels	National School Lunch and Special Milk Programs	Commercial sources	All sources				Civilian consumption excluding donations from USDA supplies
1950	95	8	4	632	740				732
1955	70	19	9	608	706				687
1960	37	11	14	591	653				642
1961	33	19	14	575	641				623
1962	29	26	15	571	641				615
1963	26	26	16	565	632				606
1964	23	28	16	566	632				605
1965	20	19	17	564	620				601
1966	18	6	17	563	604				598
1967	16	16	17	532	581				565
1968	14	21	17	525	577				556
1969	13	23	17	517	570				547
1970	12	21	17	512	562				541
1971	11	22	17	508	558				536
1972 3/	10	19	17	518	563				544

1/ Milk and butter consumed in households on milk-producing farms, 1947-54; 1955 to date includes a small amount of farm-churned butter sold.

2/ Includes any quantities used by military in civilian feeding programs abroad.

3/ Forecast.

4/ Aggregate in each category divided by total civilian population.

Table 8.--Milk and dairy products sales (domestic disappearance, commercial sources) total and per capita, selected years, United States, 1965-72 <sup>1/</sup>

Year	Fluid milk product sales					Butter	Cheese			Evaporated and condensed		
	Fluid whole milk	Cream <u>2/</u>	Low-fat milk <u>3/</u>	Total			Whole and part skim milk <u>5/</u>	Cottage cheese <u>6/</u>	Whole milk	Skimmed and butter-milk		
				Product weight	Whole milk equivalent <u>4/</u>						Amer-ican	Other
----- Million pounds -----												
Total												
1965	49,750	1,430	6,390	57,570	55,400	1,122	1,106	653	901	2,092	967	
1968	47,785	1,255	9,400	58,440	53,700	986	1,204	794	928	1,735	948	
1969	46,850	1,185	10,640	58,675	52,800	925	1,260	849	973	1,528	989	
1970	45,875	1,130	11,525	58,530	52,000	901	1,393	892	1,045	1,349	1,016	
1971	45,275	1,125	12,800	59,200	51,800	877	1,447	970	1,070	1,304	1,039	
1972 <u>7/</u>	45,200	1,120	14,180	60,500	52,100	878	1,612	1,099	1,120	1,194	1,050	
-----												
Per capita <u>8/</u>												
----- Pounds -----												
1965	264	7.6	34.0	306	294	5.8	5.7	3.4	4.7	10.8	5.0	
1968	245	6.4	48.1	299	275	4.9	6.0	4.0	4.7	8.7	4.8	
1969	237	6.0	53.9	297	267	4.6	6.3	4.2	4.8	7.6	4.9	
1970	229	5.6	57.5	292	260	4.4	6.8	4.4	5.1	6.6	5.0	
1971	223	5.5	63.0	291	255	4.3	7.0	4.7	5.2	6.3	5.0	
1972 <u>7/</u>	220	5.4	68.9	294	253	4.2	7.7	5.3	5.4	5.7	5.0	
-----												
Frozen products						Dry products						
Ice cream	Ice milk	Sherbet	Other	Mello-rine	Whole milk	Nonfat dry milk	Butter-milk	Whey	Malted milk			
----- Million pounds -----												
Total												
1965	3,634	1,270	295	39	255	61	931	79	113	20		
1968	3,711	1,429	320	42	268	50	1,031	67	149	18		
1969	3,674	1,515	333	36	267	44	1,040	61	155	18		
1970	3,656	1,577	318	40	249	43	960	50	186	18		
1971	3,684	1,580	320	47	232	34	955	55	204	19		
1972 <u>7/</u>	3,774	1,605	323	50	216	28	884	46	220	19		
-----												
Per capita <u>8/</u>												
----- Pounds -----												
1965	18.8	6.6	1.5	0.2	1.3	0.3	4.8	0.4	0.6	0.1		
1968	18.6	7.2	1.6	.2	1.3	.3	5.2	.3	.7	.1		
1969	18.3	7.5	1.7	.2	1.3	.2	5.2	.3	.8	.1		
1970	17.9	7.7	1.6	.2	1.2	.2	4.7	.2	.9	.1		
1971	17.9	7.7	1.6	.2	1.1	.2	4.6	.3	1.0	.1		
1972 <u>7/</u>	18.1	7.7	1.6	.2	1.0	.1	4.2	.2	1.1	.1		

<sup>1/</sup> Excludes milk used on farms where produced and distribution from USDA supplies; includes sales to the Armed Services for use in the United States. See DS-328, November 1969, table 12 for 1950-67 data.  
<sup>2/</sup> Includes milk and cream mixtures. <sup>3/</sup> Includes skim milk, buttermilk, and flavored milk drinks. <sup>4/</sup> Fat solids basis. <sup>5/</sup> Excludes cottage cheese. <sup>6/</sup> Includes full-skim American. <sup>7/</sup> Preliminary. <sup>8/</sup> Based on resident population, except fluid milk product sales--based on estimated population using fluid products from purchased sources.

Table 9.--Dairy products removed from the commercial market by programs  
of the United States Department of Agriculture, 1949-73

Year and month	Removals <sup>1/</sup>					Solids content of removals			
	Butter <sup>2/</sup>	American cheese <sup>3/</sup>	Evap- orated milk	Nonfat dry milk <sup>4/</sup>	Milk equiv- alent	Milk- fat	Solids- not- fat	As a percentage of marketings	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Percent
1949	111.7	25.5	---	325.5	2,489	100.4	321.1	2.6	4.6
1950	14.6	83.2	---	327.2	1,126	40.9	339.9	1.1	4.9
1951	5/-27.3	5/-7.1	---	35.3	5/-618	5/-24.0	31.5	5/	.5
1952	16.1	1.7	---	42.3	339	13.8	41.2	.4	.6
1953	355.2	302.5	---	597.1	10,200	387.5	668.9	9.7	8.6
1954	305.1	242.5	---	644.4	8,588	328.2	695.5	8.0	8.7
1955	162.0	141.3	---	534.7	4,685	179.6	558.0	4.3	6.8
1956	164.6	186.5	---	723.4	5,206	197.6	753.0	4.7	8.7
1957	172.5	240.6	---	825.2	5,870	222.1	867.5	5.2	9.8
1958	183.7	75.0	---	886.0	4,658	178.2	875.0	4.2	9.8
1959	123.7	57.2	---	830.3	3,214	123.8	815.6	2.9	9.1
1960	144.8	.3	---	852.8	3,101	122.6	819.8	2.9	8.9
1961	329.4	100.0	---	1,085.6	8,019	305.0	1,075.3	6.9	11.2
1962	402.7	212.9	---	1,386.1	10,724	402.4	1,399.0	9.1	14.3
1963	307.5	110.9	---	1,219.2	7,745	291.8	1,210.1	6.7	12.3
1964	295.7	128.5	---	1,168.8	7,676	287.6	1,166.9	6.5	11.6
1965	241.0	48.6	---	1,098.4	5,665	217.4	1,074.0	5.0	10.8
1966	25.1	10.8	---	365.8	645	26.2	355.5	.6	3.7
1967	265.1	180.5	---	687.0	7,427	276.3	719.1	6.6	7.5
1968	194.8	87.5	54.9	557.8	5,159	193.2	575.4	4.7	6.0
1969	187.9	27.7	107.5	407.2	4,479	171.6	421.5	4.2	4.4
1970	246.4	48.9	48.4	451.6	5,774	221.1	460.7	5.3	4.8
1971 <sup>6/</sup>	292.2	90.7	111.4	456.2	7/7,268	7/276.4	7/489.8	6.6	5.0
1972 <sup>6/</sup>									
Jan.	22.9	1.6	5.5	25.0	505	19.4	25.7		
Feb.	35.0	4.4	6.6	32.3	790	30.3	34.2		
Mar.	30.4	4.2	9.1	33.2	697	26.8	35.1		
Apr.	29.9	.3	8.6	40.4	646	25.2	40.8		
May	46.1	4.6	7.7	54.4	1,025	39.6	55.6		
June	49.5	4.0	8.0	56.4	1,093	42.2	57.5		
July	21.0	3.1	7.9	39.4	489	18.9	40.6		
Aug.	5.9	3.8	7.1	32.1	177	6.8	33.6		
Sept.	5/- .4	4.2	13.4	11.9	62	2.3	15.1		
Oct.	1.3	---	9.3	5/-1.2	51	1.8	.8		
Nov.	5/-6.0	---	6.3	11.4	5/-112	5/-4.1	12.2		
Dec.	5/-1.8	---	7.6	9.9	5/-22	5/- .7	10.9		
Total <sup>8/</sup>	233.7	30.4	97.0	345.4	5,402	208.4	362.4	4.9	3.6
1973 <sup>6/</sup>									
Jan.	21.2	---	4.7	1.0	453				
Feb.									

<sup>1/</sup> Delivery basis, after unrestricted domestic sales.

<sup>2/</sup> Includes butter equivalent of anhydrous milkfat, PIK, and purchases under Sec. 709.

<sup>3/</sup> Includes purchases under Sec. 709.

<sup>4/</sup> Includes PIK certificates issued.

<sup>5/</sup> Domestic sales exceeded purchases.

<sup>6/</sup> Preliminary.

<sup>7/</sup> Includes dry whole milk purchases beginning November 1971.

<sup>8/</sup> May not add due to rounding.

Table 10.--Stocks of dairy products, United States, end of year or month, 1960-72

Year and month	Commercial stocks					Government stocks				Total milk equiv- alent 3/
	Butter	Amer- ican cheese	Other cheese	Canned milk	Nonfat dry milk	Butter 1/	American cheese 2/	Nonfat dry milk	Evapo- rated milk	
	----- Million pounds -----									
1960	21.2	291.4	40.6	227.5	103.1	55.6	0.6	279.8	---	5,392
1961	19.5	366.4	53.0	230.7	132.5	205.3	53.5	354.9	---	9,902
1962	31.2	307.1	37.8	145.9	99.0	328.2	79.1	576.0	---	12,166
1963	32.1	282.7	39.1	137.4	81.5	239.0	39.1	404.6	---	9,691
1964	37.1	271.9	42.3	192.2	108.8	33.8	24.4	65.5	---	5,294
1965	27.1	270.2	37.6	140.7	58.2	25.0	.3	96.2	---	4,458
1966	30.2	322.1	50.4	204.5	118.2	2.1	.2	---	---	4,858
1967	18.4	302.3	46.2	196.0	98.7	150.2	80.8	157.6	---	8,252
1968	14.5	291.1	62.3	101.3	79.0	102.9	51.6	198.7	5.6	6,634
1969	25.1	264.4	52.1	106.9	83.9	63.6	1.1	137.8	42.9	5,245
1970	19.7	252.7	70.5	115.7	95.3	99.1	1.3	42.6	.1	5,803
1971	26.2	235.6	65.4	88.6	77.0	70.7	6.1	12.5	.2	5,104
1971										
Mar.	31.0	235.4	65.8	67.6	74.4	126.9	.9	14.1	4/	6,281
June	33.4	293.9	74.9	133.8	151.1	201.7	2.5	29.1	.1	8,736
Sept.	26.7	280.7	73.9	163.0	107.2	195.3	3.0	55.3	.1	8,375
Dec.	26.2	235.6	65.4	88.6	77.0	70.7	6.1	12.5	.2	5,104
1972 5/										
Mar.	24.9	227.5	60.5	61.3	62.2	84.8	1.0	15.1	.1	5,150
June	31.3	309.4	69.0	123.7	106.0	163.5	.5	25.6	.1	7,957
Sept.	17.8	335.4	68.2	143.6	64.5	160.4	.3	40.2	4.1	7,899
Dec.	11.0	267.0	61.1	74.7	38.0	90.7	.2	6.9	5.8	5,407

1/ Includes butter equivalent of butteroil and ghee, 1962-65. 2/ Includes process cheese held by USDA beginning May 1967. 3/ Includes manufactured products for which current monthly series are available (excludes nonfat dry milk). Excludes cream and bulk condensed milk beginning 1968. 4/ Less than 50,000 pounds. 5/ Preliminary.

Table 11.--Dairy products: U. S. imports, quota and non-quota, 1971-72 1/

Product	Calendar year quota 2/	December			Annual		
		1971	1972	1972 as a % of 1971	1971	1972	1972 as a % of 1971
	Thou. lb.	Thou. lb.	Thou. lb.	Pct.	Thou. lb.	Thou. lb.	Pct.
<u>Cheese, quota types</u>							
American-Cheddar	10,037.5	2,397	1,089	45	9,324	9,516	102
-Other	6,096.6	1,476	759	51	3/7,624	5,959	78
Italian-Original loaves	11,500.1	357	1,385	388	6,458	10,802	167
-Other	1,494.0	519	160	31	852	1,350	158
Edam and Gouda-Natural	9,200.4	[1,359]	[1,588]	[117]	[10,126]	[10,146]	[100]
-Processed	3,151.0						
Blue mold	5,017.0	801	723	90	4,485	4,434	99
Swiss-Emmenthaler, -62¢	13,691.0	4/370	4/633	171	4/2,533	4/3,206	127
-Gruyere-process, -62¢	7,927.0	4/175	4/463	265	4/2,720	4/2,904	107
Other-Over 0.5% fat, -62¢	34,213.0	4/3,134	4/1,369	44	4/15,701	4/23,680	151
-Under 0.5% fat	8,901.0	533	784	147	7,580	8,397	111
Total	111,228.6	11,121	8,953	81	67,403	80,394	119
<u>Cheese, non-quota types</u>							
Swiss-Emmenthaler, 62¢ +		5/1,996	5/3,124	157	5/21,784	5/30,366	139
-Gruyere-process, 62¢ +		5/438	5/811	185	5/8,879	5/9,882	111
Other, 62¢ +		5/974	5/4,389	451	5/17,961	5/31,820	177
Pecorino		456	2,338	513	16,566	22,976	139
Roquefort		170	205	121	1,671	2,543	152
Other 6/		102	124	122	1,663	1,508	91
Total		4,136	10,991	266	68,524	99,095	145
<u>Other quota products</u>							
Butter	707.0	15	97	647	628	714	114
Butteroil	1,200.0	---	---	---	1,200	1,200	100
Butterfat mixtures	2,580.0	893	359	40	2,572	2,430	94
Ice cream	3,377.3	---	---	---	2,549	1,375	54
Frozen cream	12,540.0	1,451	1,033	71	11,235	12,600	112
Dried skim milk	1,807.0	426	1,106	260	2,136	1,602	75
Dried buttermilk	496.0	64	---	---	355	594	167
Evaporated milk	1,312.0	---	26	---	1,299	94	7
Condensed milk	4,079.0	121	145	120	1,670	2,345	140
Chocolate crumb-Regular	17,000.0	2,131	1,750	82	10,589	6,838	65
-Lowfat	4,680.0	501	944	188	4,185	3,171	76
Animal feed with milk solids	16,300.0	---	3,516	---	11,812	10,356	88
<u>Non-quota products</u>							
Casein		14,813	7,250	49	105,939	105,401	99
Lactose		106	39	37	1,652	1,540	93
Milk equivalent, fat solids basis, total all products	1,165,909.0	161,992	184,333	114	1,346,957	1,683,585	125

1/ Preliminary. 2/ Effective June 1, 1972. 3/ Includes cheese other than American as a result of changes in Census reporting.  
4/ Minus 47 cents only. 5/ Over 47 cents only. 6/ Gjetost, Bryndza, Cammelost and Noekkelost, and Goya.



Table 12.--Dairy product exports, 1960-72

Year and month	Butter <u>1/</u>	Cheese	Evap- orated milk	Con- densed milk	Dry whole milk	Nonfat dry milk	Infant and dietetic foods	Milk equiv- alent <u>2/</u>
----- Million pounds -----								
1960	8.0	9.1	101.5	41.9	28.1	446.7	16.3	776
1961	6.7	8.8	92.3	47.3	17.5	734.2	19.1	655
1962	34.9	19.1	66.3	47.7	13.4	873.6	16.0	1,287
1963	192.5	33.6	65.5	56.6	29.8	1,119.2	18.0	5,036
1964	296.5	9.1	37.3	62.8	12.3	1,310.9	18.6	6,872
1965	65.7	6.8	24.7	65.8	18.6	863.4	16.0	1,836
1966	13.7	6.0	38.4	94.3	15.6	387.7	16.5	778
1967	2.9	6.4	33.8	29.2	11.9	409.0	17.2	363
1968	32.2	6.8	32.7	42.5	17.2	397.1	18.5	1,185
1969	20.8	7.2	37.1	52.2	13.9	329.4	16.9	921
1970	1.9	6.7	33.3	16.4	12.6	416.1	18.6	437
1971	92.8	6.5	32.7	35.2	23.6	357.6	25.5	2,458
1972 <u>3/</u>								
Jan.	17.8	.5	3.3	1.1	3.5	21.9	3.0	422
Feb.	14.3	.5	2.9	1.0	3.2	12.6	1.7	341
Mar.	6.9	.7	2.9	5.0	3.7	21.3	1.9	207
Apr.	2.7	.5	3.2	3.6	2.3	22.1	1.9	102
May	.7	.8	2.9	2.8	3.4	37.0	1.5	72
June	.1	.4	3.2	.2	2.8	47.7	1.1	46
July	.1	.5	3.1	.3	4.9	31.0	1.5	59
Aug.	<u>4/</u>	.5	5.0	.2	2.2	32.2	1.7	44
Sept.	<u>4/</u>	.4	3.6	.1	4.4	24.5	1.9	54
Oct.	<u>4/</u>	.4	2.9	.1	2.9	14.3	1.4	39
Nov.	<u>4/</u>	.6	4.4	.2	2.3	11.9	1.4	40
Dec.	1.1	.5	3.2	.3	2.0	6.0	1.7	56
Total <u>5/</u> :	43.6	6.4	40.5	14.9	37.6	282.4	20.7	1,481

1/ Includes butter equivalent of butteroil, ghee, and anhydrous milkfat. 2/ Includes milk equivalent of products not shown separately. 3/ Preliminary. 4/ Less than 50,000 pounds. 5/ May not add due to rounding.