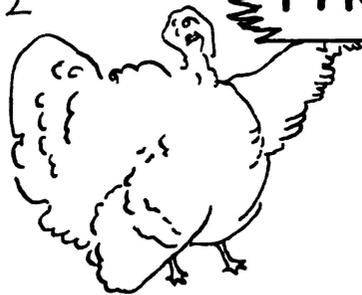


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The Market Review of



PEEP AND MOO

Virginia Polytechnic Institute and the United States Department of Agriculture Cooperating:
Extension Service, L. B. Dietrick, Director, Blacksburg, Virginia
Issued and Distributed in Furtherance of the Acts of Congress of May 8 and June 30, 1914

Dairy



May 10, 1957

Section

JUNE DAIRY MONTH Next month the dairy industry, state and nationwide, will put on another intensified promotional campaign for dairy products. Advertising and promotion are being carried on throughout the year but the month of June will be singled out for special emphasis. This program needs the support of all interested in, and concerned with, the dairy industry.

SCHOOL MILK PROGRAM University of Wisconsin economists have completed a case study entitled "Pupil Response To Experimental Pricing of Milk." The work was done in both high schools and elementary schools in Madison and Milwaukee, Wisconsin. The findings of this study provide a number of practical suggestions for improving the effectiveness of the special school milk program in schools. The most noteworthy of these are:

1. Substantial increases in milk consumption by school pupils are brought about when prices are reduced. In many instances, school boards will find that the total receipts from school milk will actually increase despite reduced prices. In all instances, any decline in receipts from lower prices will be small.
2. The (percentage) increase in consumption tends to be much greater compared with the (percentage) price reduction where the price of school milk is reduced 50% or more than where the reduction is small. In fact, school officials probably can make greater improvement in consumption by making changes in such items as improved availability, than by

small reductions in price.

3. Most of the increased consumption of milk at school is new consumption and does not replace the child's home milk consumption. This conclusion should help allay the fears that school milk is merely substitution for home consumption of milk.
 4. Even in times of substantially full employment and in relatively high income areas in Milwaukee and Madison, there are low income families who will buy little school milk. This fact argues for the need of keeping the price of school milk as low as possible.
 5. Making milk available more often would increase consumption substantially even if no change in milk prices were made. This suggests that school teachers and other officials should make milk available to students at more times and places than is now common, particularly in afternoons.
 6. The total consumption of milk will be increased where chocolate as well as white milk is served.
 7. School authorities may well give more attention to refrigeration or to timing deliveries in view of the frequency of reports that pupils drink less in the late spring months because the milk is too warm.
- Further information concerning this study can be obtained by writing to Professor H. L. Cook or Professor H. W. Halvorson, University of Wisconsin, Madison, Wisconsin.

MILK PRODUCTION

Month	Virginia			United States		
	1946-55 Average	1956	1/ 1957	1946-55 Average	1956	1/ 1957
	(Millions of Pounds)			(Millions of Pounds)		
January	130	141	153	8,446	9,603	9,697
February	122	136	140	8,284	9,657	9,464

1/ Preliminary

Source: Virginia Dairy Report, Virginia Crop Reporting Service

Virginia milk production in January was 9% higher than for the same period a year ago. February production was 3% higher in spite of the fact that February 1957

only had 28 days. United States milk production was 2% higher this January than it was last January but in February it was 2% lower than for the same period last year.

PLANT RECEIPTS AND PRICES

<u>Receipts and Prices By Distributors and Plants - Virginia</u>						
Month	Receipts			Average Price Per Hundred Pounds		
	1951-55 Average	1956	1/ 1957	1951-55 Average	1956	1/ 1957
	(Thousands of Pounds)			(Dollars)		
	<u>Milk for Fluid Consumption</u>					
January	68,050	78,040	87,400	6.14	5.90	5.75
February	63,100	75,280	79,800	6.11	5.80	5.70
	<u>Milk for Manufacture</u>					
January	16,410	16,830	17,330	3.95	3.55	3.60
February	14,600	16,300	15,510	3.78	3.40	3.55

1/ Preliminary

Source: Virginia Dairy Report, Virginia Crop Reporting Service.

The average butterfat test of the Grade A milk during February was 3.9%. The average manufacturing milk butterfat test was 4.4%. The total value of all

wholesale deliveries (both for fluid and for manufacturing) amounted to slightly more than 5 million dollars, up 2% from February a year ago.

CENSUS DATA SHOWS The trend toward
FEWER DAIRY PLANTS concentration of
 operations in the
dairy processing and distribution indus-
try is reflected in the recently pub-
lished 1954 Census of Manufacturing which
shows a seven-year drop of 34 percent in
the number of establishments making
creamery butter; 18 percent fewer cheese
plants; a 20 percent disappearance among
condensed and evaporated milk plants;
and almost 6 percent fewer establishments
engaged primarily in making ice cream.
There were slight gains in the number of
plants chiefly making special products
such as processed cheese and spreads,
and in fluid milk plants.

In numbers the 1954 census tabulated
1,262 plants primarily producing butter;
1,419 producing natural cheese; 359
making evap or condensed; 1587 making
ice cream; 187 devoted primarily to
special products; and 6,689 handling
fluid milk and related products.

The total number of production workers
engaged in processing dairy products was
tallied at 267,300. Fluid milk and
cream accounted for 162,800; ice
cream 47,500; evap and condensed 16,000;
butter 15,800; cheese 15,100; and
special products 10,100.

About 41 percent of all dairy production
employees worked in the 5 percent of
plants employing 100 or more.

COST OF PRICE From 1949 through 1956,
SUPPORTS the Federal Government
 purchased 37 billion
pounds of milk equivalent for price
support purposes. This amount repre-
sented 4% of total production during
that period. The total cost of the
dairy products purchased and re-distri-
buted during this period was 1,728
million dollars. The Government realized
328 million dollars from disposal of
these products. Hence, the net expendi-
ture (or net loss) in conducting the
dairy support program was 1,400 million
dollars for the eight-year period.

QUESTIONNAIRES I would like to take
 this opportunity to
thank those of you who returned the
dairy marketing questionnaires. They
were sent to producers shipping to
the Roanoke, Newport News, and Harrison-
burg markets. We received approximately
an 80% return. This was quite a good
response. Thanks again.

NATIONAL During the past month, a
LEGISLATION bill (HR-6750) designed
 to establish uniform sani-
tation requirements for milk and milk
products shipped in interstate commerce
was introduced in the House of Represen-
tatives. The measure asserts the control
of the federal government over dairy
shipments in interstate commerce, or
those which affect interstate commerce,
with respect to sanitary factors.

It is proposed that the Milk Ordinance
Code of the U. S. Public Health Service
be adopted and applied uniformly to all
interstate dairy commerce. Furthermore,
the proposed bill would provide that,
upon enactment, no other law may be
enacted prohibiting the shipment of
milk and milk products in interstate
commerce which meet those requirements.

It is difficult to say how much support
this bill will receive or to guess as
to the probability of its passage. It
will bear close watching, since its
enactment into law would have a direct
influence on the flow of milk both into
and out of Virginia.

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