

Outlook For Dairy Industry In 1958 Favorable

Forecasters Predict Returns Will Be Up

The Agricultural Marketing Service of the U.S. Department of Agriculture has issued its outlook for the dairy industry for 1958. In part the report states that milk production on farms is likely to show its sixth consecutive annual increase in the coming year, rising one to two billion pounds over the record of 127 billion in prospect for 1957.

Prices to farmers are expected to continue at current levels, allowing for seasonal variations, through at least March 1958, the end of the current marketing year. Prices for the 1958-59 marketing year will be influenced by the level of supports to be announced before March 31, 1958.

With an increase in milk production likely and smaller quantities used in farm households, cash receipts from dairy products in 1958 are likely to increase further to a new high, if prices continue at their present level, the report says. Net returns from dairying could increase in 1958, since the average of all costs including feed may not change significantly.

Consumer incomes per person for the coming year are likely to be maintained at the high level of 1957. Shifts in consumer tastes and preferences, however, appear to have more important effects than income on demand for some dairy products. In the past decade, the demand for butter, evaporated milk and a few other dairy items has declined significantly despite steady increases in consumer incomes. The effect of this on the total per capita demand for milk has not been entirely offset by increases in demand for a number of dairy items, including fluid whole milk, cheese, and ice cream.

The net effect of these two opposite tendencies is that consumption from all sources, measured on fat solids basis, was around 705 pounds per person in 1957, compared with 707 pounds in 1956 and the 1947-49 average of 742 pounds. The 1935-39 average was 802 pounds. The quantities distributed from CCC stocks or through the school lunch and special milk programs were equivalent to 25 pounds in 1957, leaving per capita consumption from commercial sources at 680 pounds, slightly above the record low of 676 pounds in 1956. Even with these declines in per capita usage, total consumption from commercial sources increased from 109 billion pounds in 1950 to 114.5 billion in 1957, reflecting the increase in population.

Many of the dairy items for which consumption has increased consist mostly of solids-not-fat and contain little or no milkfat. Per capita consumption of milk solids-not-fat in all dairy products was 48 pounds in recent years compared with 46 pounds in 1950 and less than 40 pounds in the 1920's and 1930's. Some items which have increased, such as ice cream and cheese contain fat as well as solid-not-fat. However, consumption of milkfat in all forms on the other hand was 27 pounds per person in the last few years compared with 29 pounds in 1950 and 31 to 32 pounds in the 1920's and 1930's.

Retail prices for manufactured dairy products probably will change little in the next year, unless support levels are altered. Fluid milk prices, however, may show a very slight further increase. Gross margins for processing and marketing fluid milk are continuing to widen and prices paid by dealers for milk are increasing above established minimum levels in a growing number of markets.

The number of farms keeping milk cows in the United States is shrinking at a rate between four and five per cent per year. But the average number of cows kept per farm is getting larger. The net effect has been a decline in total number of milk cows of less than one per cent per year. This has been more than off-

set by the increase in production per cow, and total milk flow has reached progressively higher records. In the coming year, milk prices will be less favorable relative to beef cattle, but more favorable relative to hog prices and feed costs. Supplies of feed concentrates and roughages are record high and are better distributed than last year. In 1956-57, large areas of the Plains were short of roughage. That area is well supplied this year, and only a narrow band along the Atlantic Coast is seriously short of hay. For the country as a whole, the rate per cow is likely to exceed the 6,150 pounds anticipated for 1957 by another two per cent or so. Barring wide spread adverse feed and pasture growing conditions, this will result in another new record for total milk output.

Purchases of dairy products under the price support program in the first nine months of 1957 were larger than a year earlier by the equivalent of 500 million pounds of milk, largely because of increased purchases of cheese. For the year as a whole, purchases will take around five per cent of output, about 20 per cent more than in both 1955 and 1956. Stocks of butter owned by CCC, although larger than a year ago, are small compared with recent rates of disposition. Holdings of cheese are now about the same as a year ago; stocks of non fat are larger. Stocks of all items are well below the peak levels of three years ago. A large portion of purchases were disposed of at a comparatively small recovery of original costs. Over an eight-year period, the net cost to the government of the dairy price-support program was 1,400 million dollars. In 1958, supplies of milk will again exceed demand though the extent of purchases could be influenced by a change in price-support level.

Dairy Cattle Feeds Tested

Development of dairy cattle that will excel in milk production and growth when fed to the maximum extent on forage alone is being undertaken in a cooperative federal-state research program in Tennessee, the U.S. Department of Agriculture said today.

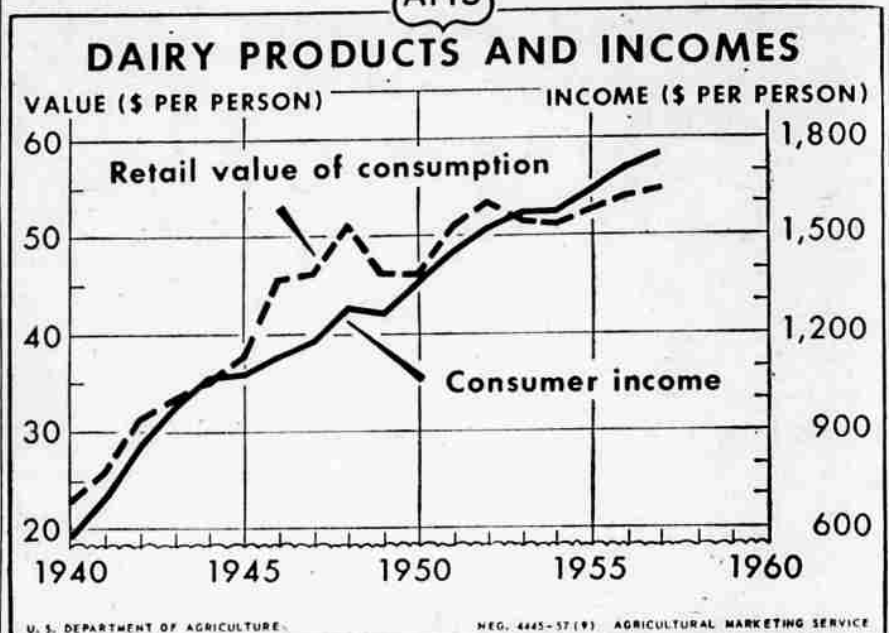
First aim of the work is to determine whether, within a single breed, there are genetic differences between the progeny of different sires that affect the ability of the animals to convert roughage into milk production and growth.

The research will be conducted at the Tennessee Agricultural Experiment Station at Jackson and at the Federal-State Experiment Station at Lewisburg. Jersey herds at both stations will be used for the project.

Eventual objectives are: (1) to develop superior germ plasma and breeding methods for increasing milk production of dairy cattle under conditions of maximum grazing and forage use, and (2) to establish strains of dairy cattle as a source of breeding stock for high milk production, especially in the South.

Results of these studies, expected to take at least 10 years, should reveal to what extent genetic factors affect the economics of milk production in the area. If genetics is found to be involved, it might be possible to develop strains of dairy cattle capable of high production on roughage alone. If it is found that the progeny of different sires perform about the same on roughage alone as they do on roughage plus grain, then whether to supplement forage feeding with grain becomes chiefly an economic problem.

Semen from the most desirable proven sires available from any



THE STEADY INCREASE in consumer incomes since 1949 has not affected all foods to the same extent. Even within the dairy products group changes have varied considerably. Retail values for butter and evaporated milk were lower in 1956 than in the 1947-49 period, reflecting both lower prices and lower per capita consumption. On the other hand, consumption per person of fluid milk and cream was about as large and retail prices were up about 20 per cent, making a 19 per cent higher retail value per person. For the next few years, some of these non-income factors probably will continue to hold down the level of consumers' expenditures for some dairy products, as compared with incomes.

Tester Helps Milk Studies

Research on the production by dairy cattle of essential non-fat food constituents in milk will be greatly aided by a portable testing kit designed to measure the total solids content of small milk samples, the U.S. Department of Agriculture said recently. This solids test is used in conjunction with the well known Babcock test for butterfat.

The portable testing equipment, developed by USDA dairy scientists, is a useful instrument for fundamental research under field conditions. Eight of the kits have been used in cooperative dairy breeding and management experiments in Louisiana, Michigan, Minnesota, Tennessee, Virginia, and Wisconsin to determine the usefulness and accuracy of the device as a research tool.

The new method of testing made possible with this equipment may become the basis for expanded research under a cooperative plan involving several states and Canada's Province of Ontario.

Consumer interest in the solids other than fat contained in milk has been increasing. Among these non-fat solids are protein, lactose, casein, albumin, sugar, and several minerals—all having a place in the human diet. In addition, some of these milk constituents are in demand for industrial uses.

Dairy researchers and the milk industry are interested in the possibility of breeding strains of dairy animals that would produce milk of the greatest all-around food value. Portable equipment for making tests for non-fat solids has not been available to aid in accurately evaluating progress, except under laboratory conditions. This lack has not only handicapped breeding programs that might have been undertaken to produce more desirable animals, but it has also held up studies needed to determine the effect of inheritance, environment, and nutrition on the non-fat solids content of milk itself.

source—within the breed—will be used for breeding a portion of each herd.

Sweetened Cream Will Stay Fresh

Sugar-preserved dairy cream that keeps well, unrefrigerated, just as do sweetened condensed and evaporated milk, is a promising new product of dairy research, the U.S. Department of Agriculture announced today.

The manufacturing process is a simple one that any well-equipped dairy plant can carry out. It produces a sweetened cream product containing 40 per cent butterfat, additional nonfat milk solids, and sugar in sufficient concentration to preserve it at room temperature for at least six months. Further storage tests are under way.

Delicious ice cream can be made when the product is used as the source of milk fat. It can be whipped, or used as a source of cream and sugar in coffee and in other ways. Pale yellow in color, it has a consistency and flavor much like those of sweetened condensed milk; however, it is less sweet.

Dr. Arjen Tamsma, chemist of USDA's Agricultural Research Service, described the new product today to the International Association of Ice Cream Manufacturers meeting in San Francisco. Since ice cream manufacturers now use much frozen cream as a source of milk fat in their mixes, the new unfrozen product could save them considerable expense and frozen storage space.

Dr. Arjen Tamsma and Dr. Raymond W. Bell—both engaged in USDA research in Washington, D.C., to increase and improve use of dairy products—are chiefly responsible for development of the cream preservation process. A public service patent for the product and process has been applied for.

The cream remains stable for the same reason that jams, jellies, syrups and honey do—bacteria cannot grow in a concentrated sugar solution. To fresh cream with a high fat content are added non-fat dry milk and cane sugar. The mixture is stirred and heated until pasteurized, and packed while warm.

THE COVER

The cover for this week's Herald and News Magazine Section of Klamath Basin Living was taken by Dr. Ray Oldenburg on a recent duck hunting trip. The subject is Frank Jenkins, publisher of the Herald and News. A Rolleiflex camera was used at f 5.6 and 100th of a second.

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