DAIRY PRICE SUPPORT AND RELATED PROGRAMS

1949-1968

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CONTENTS

	Page
INTRODUCTION	1
ECONOMIC CONDITIONS IN THE DAIRY INDUSTRY	3
The cost price problem	3
Production and living costs	3
Farm prices and cash receipts	4
Production and marketings	4
Demand and consumption	6
Fluid milk products	6
Manufactured dairy products	7
Whey solids problem	8
Import problem and restrictions	9
PRICE SUPPORT AND RELATED PROGRAMS	11
How the support program has operated	11
How farmers have benefited	12
Parity and parity equivalent prices	14
Support levels	16
Dairy products purchase prices	17
Grades, quality, containers and markings	20
Purchases and other market removals	22
Sales to CCC with option to repurchase	24
Payment-in-kind (PIK) exports	25
Loans on whey products	26
Military milk program	27
Milk in the School Lunch and Special Milk Program	27
Utilizations	28
Sales for unrestricted uses	28
Sales for restricted domestic uses	29
Sales to U.S. military agencies	30
Commercial export sales	30
Noncommercial export sales	33
Donations for domestic school lunch and welfare uses	33
Donations to U.S. military and other uses	34
Donations for foreign school lunch, welfare, and other uses	34
Uncommitted inventories	35
Program expenditures	35
APPENDIX I	39
Tables 1 - 39 (See list, page iii - iv)	39-85
APPENDIX II	87
Press releases announcing price support programs	87-144

APPENDIX I - TABLES

Table	Title	Page
1	Index numbers of prices, wages, taxes, and interest paid by farmers, U.S. average prices received by farmers for milk and butterfat in farm-separated cream, and cash receipts by farmers from sales of milk and cream in the United States, 1950-1968...	39
2	Numbers of milk cows and production of milk in the United States, 1950-1968.....	40
3	Production and uses of milkfat, 1950-1968.....	41
4	Production and uses of nonfat milk solids, 1950-1968.....	42
5	Milk used on farms where produced and milk sold by farmers, 1950-1968.....	43
6	Total population, employment, and per capita disposable consumer income, 1950-1968.....	44
7	Total and per capita consumption (disappearance) of milk and its products on farms where produced and in the commercial market, whole milk equivalent (fat solids basis), milkfat content, and nonfat solids content, 1950-1968.....	45
8	Consumption of milk and cream on (and off) farms where produced and sales of fluid milk products in the commercial market, 1950-1968.....	46
9	Consumption of farm-churned butter, and sales of creamery butter, all whole and part skim milk cheese, canned evaporated milk, ice cream, and ice milk, in the commercial market (domestic disappearance, commercial sources), 1950-1968.....	47
10	Per capita consumption of farm and creamery butter, and sales of whole and part skim milk cheese, canned evaporated milk, ice cream and ice milk (domestic disappearance, commercial sources), 1950-1968.....	48
11	Nonfat dry milk production (spray and roller) and domestic commercial consumption (domestic disappearance, commercial sources) and consumption (production) of full skim milk cheese and cottage cheese, 1950-1968.....	49
12	U.S. imports of dairy products (milk equivalent, fat solids basis) compared with total domestic milk production, 1950-1968.	50
13	Computations of parity equivalent prices per 100 pounds of manufacturing milk, as of January 1949, and as of March of each subsequent year (to which support prices were related)....	51
14	Price support levels and actual U.S. average prices of manufacturing milk and butterfat in farm-separated cream, 1949 to 1969-70.....	52
15	CCC purchase prices of bulk butter of U.S. Grade A or higher at specified locations, 1949 to 1969-70.....	53
16	CCC announced purchase prices of natural Cheddar cheese, nonfat dry milk, and evaporated milk, April 18, 1949 to 1969-70...	54
17	Calculation of CCC support buying prices of dairy products for the 1968-69 marketing year.....	55
18	Total market values of Cheddar cheese and whey fat compared with the values of butter and nonfat dry milk which could be produced from 100 pounds of manufacturing milk of average milkfat test.....	57

Table	Title	Page
19	Dairy product purchases, by program years, contract and delivery bases, 1949 to 1968-69	58
20	Net removals of dairy products from the market resulting from price support and other purchases, PIK exports, and CCC sales for unrestricted uses, and such removals as percentages of production	59
21	The milkfat and nonfat solids contents of net removals of dairy products from the commercial market under the price support and other programs, and the same as percentages of the solids contents of total farm marketings of milk and cream	60
22	Butter: Price support and Section 709 purchases (delivery basis), 1949-1968	61
23	Cheddar cheese: Price support, Section 32 and Section 709 purchases, (delivery basis), 1949-1968	62
24	Nonfat dry milk: Price support, Section 32 and Section 709 purchases (delivery basis), 1949-1968	63
25	CCC purchase contracts for butter, Cheddar cheese, and nonfat dry milk in specified marketing years, by States	64
26	Exports of butter and butter equivalent of other high milkfat products, and nonfat dry milk, from commercial sources, under the PIK Program, 1962-63 through 1966-67 marketing year	65
27	Additional fluid milk purchased by the U.S. military and related agencies and Veterans Administration and partly paid for by CCC under the Military Milk Program, by fiscal years	66
28	Estimated quantities of fluid milk consumed in the regular National School Lunch Program, and the Special Milk Program, by calendar years	66
29	Utilizations (commitments to programs) of butter purchased under price support, and Sec. 709, programs, 1949-1968	67
30	Utilizations (commitments to programs) of Cheddar cheese acquired under price support, Sec. 32, and Sec. 709, programs, 1950-1968	69
31	Utilizations (commitments to programs) of nonfat dry milk acquired under the price support and Sec. 32 programs, 1949-1968	71
32	Amounts by which CCC's announced sales prices of dairy products for unrestricted uses were above CCC's buying prices, per pound, at specified locations, 1950-51 to 1968-69	73
33	CCC sales of butter for unrestricted use, 1949-1968	74
34	CCC sales of cheese for unrestricted use, 1950-1968	75
35	CCC sales of nonfat dry milk for unrestricted use 1950-1968	76
36	Prices (or ranges in prices) per pound at which CCC has offered or sold dairy products for commercial export for unrestricted uses, except as otherwise indicated	77
37	CCC's uncommitted inventories of dairy products at end of month, by marketing years	78
38	Net Government expenditures on dairy price support and related programs, by fiscal years, 1949-50 to 1967-68	82
39	Purchase and related costs of dairy products donated for various uses, by fiscal years, 1949-50 to 1967-68	84

INTRODUCTION

Prices received by dairy farmers have been substantially higher since 1949, than they otherwise would have been, as a result of price support purchases of dairy products by Commodity Credit Corporation (CCC) 1/ and other related program activities. The Agricultural Act of 1948 required the support of milk and butterfat prices at 90 percent of their parity prices during 1949. The price support has been carried out since January 1950 under the Agricultural Act of 1949. This Act requires the Secretary of Agriculture to support the prices to producers for milk and butterfat at such level between 75 and 90 percent of parity as will assure an adequate supply, through loans on, or purchases of, milk and dairy products.

While the price support has been carried out mainly by purchases of butter, Cheddar cheese, and nonfat dry milk, these operations have been supplemented by several other related programs.

From 1954 to 1965 CCC financed part of the cost of increases in purchases and uses of fluid milk by the Armed Forces and Veterans hospitals, as a part of the dairy support program.

From 1962-63 to 1965-66, CCC made payment-in-kind payments to exporters of butter and other high-fat dairy products, and nonfat dry milk, from commercial supplies.

Milk has been served as a part of the plate lunches in schools participating in the National School Lunch Program, financed in part by funds appropriated to carry out the National School Lunch Act of 1946.

In addition, a Special Milk Program has been in operation since 1954 to help provide more milk for children in schools, child-care centers, summer camps, and similar nonprofit institutions.

Another program, closely related to the support program has been the Federal Milk Marketing Order Program which has required handlers in a great many fluid milk markets to pay farmers not less than specified prices for milk. This program covered about 70 percent of the milk eligible for fluid use in the United States in 1968.

Dairy farmers throughout the Nation have benefited from the price support and related programs. The price support purchases have kept market prices of dairy products higher than they otherwise would have been and have removed from the market any milk produced in excess of consumption of milk and its products on farms and in the market. This has supported the general level of prices received by farmers for manufacturing milk and butterfat, including milk marketed under milk orders but used in manufacturing dairy products. It has also bolstered the

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1/ Commodity Credit Corporation is an agency within the U.S. Department of Agriculture, subject to the direction of the Secretary of Agriculture. The Secretary and other officials of the Department act as officials of the Corporation. Price support purchases and many other stabilization and related activities, involving expenditures of funds, are conducted in the name of CCC.

prices received by farmers for milk used in fluid uses because the Class I prices of such milk in most Federal order markets have been directly or indirectly related to the prevailing prices of manufacturing milk.

Although dairy farmers were in a tightening cost-price squeeze, and a great many of them quit dairying, total milk production trended upward during the 1950's and early 1960's, as increasing production per cow more than offset the declining number of cows. Meanwhile, there was little increase in total consumption of milk and its products as a group on farms and in the market, despite the growing population, and rising employment, wage rates, and disposable consumer incomes. Production substantially exceeded such total consumption during most of the period. Sizable support purchases were made in every marketing year, except the 1951-52 Korean War year, removing from the market the milk equivalent (fat solids basis) of up to 10.6 percent of the total farm marketings of milk and cream.

After reaching an all-time high of 127 billion pounds in 1964, total milk production turned downward in the spring of 1965 and by early 1966 was running about 7 percent below a year earlier. This resulted mostly from an increased exodus of farmers out of dairying and an unusually sharp decline in number of milk cows -- about double the preceding 10-year average rate of decline. The decrease in milk production reduced the supply of manufacturing milk. Production of butter and nonfat dry milk declined markedly. CCC's purchases of dairy products decreased in the 1965-66 marketing year.

In order to improve farmers' incomes, stem sharply declining milk production, and assure adequate supplies for consumers, the Secretary of Agriculture increased the support prices on April 1, 1966, from $3.24 to $3.50 a hundred pounds for manufacturing milk and from 59.4 to 61.6 cents a pound for butterfat. He also announced other actions to increase the Class I prices to producers for bottling milk marketed under Federal milk orders.

Milk production continued to decline during the spring months of 1966. On June 29, 1966, the Secretary announced a further increase in the support level to $4.00 for manufacturing milk (near 90 percent of the parity equivalent price) and about 68 cents for butterfat. He also announced more actions to raise further the Class I prices to producers for bottling milk for the remainder of the 1966-67 marketing year. In order to help farmers plan their future dairy operations, the Secretary assured them in October 1966, that the support prices would be continued at $4.00 for manufacturing milk and 68 cents for butterfat in the 1967-68 marketing year.

As retail prices rose to reflect the higher producer prices of milk, consumption of milk and most of its products decreased somewhat in 1967. CCC's price support purchases increased in the 1967-68 marketing year.

In early 1968, milk production dropped 2.5 percent below a year earlier. The support level for manufacturing milk was raised to $4.28, near 90 percent of the increased parity equivalent price, for the 1968-69 marketing year. Price support purchases in 1968-69 took off the market the equivalent of 4.2 percent of the total milkfat and 5.9 percent of the total nonfat solids in the total quantity of milk and cream sold by farmers.

In December 1968, the Secretary announced that the support price of $4.28 would be continued in the 1969-70 marketing year and that the then current Class I prices of fluid milk also would be continued. In early April 1969 the new Secretary of Agriculture announced that the 1969-70 support price for butterfat in farm-separated cream would be 68.6 cents a pound.

The increases in prices received by farmers in recent years more than offset the decline in production. Cash receipts from sales of milk and cream by farmers rose to a record high of $5,981 million in 1968 -- 4 percent above a year earlier and 26 percent higher than in 1960. Meanwhile, however, production costs also rose sharply.

Dairy products acquired by CCC have been used in many ways. All of the butter and cheese, and most of the nonfat dry milk, has been sold or donated for consumption as human food. Principal uses of the products have included: Sales back to the domestic market when possible at prices moderately above the support level; sales for commercial export at prices competitive in world trade; sales to foreign governments and international agencies at concessional prices for foreign school and welfare uses; donations to the U.S. Armed Forces and Veterans hospitals for their increased use; and donations for domestic and foreign school lunch and welfare uses. Most of the butter and cheese, and substantial quantities of nonfat dry milk have been used in domestic programs. Large quantities of nonfat dry milk, however, and occasionally some butter and cheese, have gone into foreign school lunch and other foreign aid program uses. These uses have helped to improve the diets of millions of children and needy persons in the United States, and in over a hundred foreign countries. Such dispositions have kept CCC's stocks of dairy products down to manageable volumes in most years.

The net Government expenditures in the dairy price support and related programs (other than the Special Milk Program) averaged $285 million a year during the 19 fiscal years 1949-50 to 1967-68. In addition, the Government expenditure in the special milk program increased from $22 million in the 1954-55 fiscal year to $103 million in fiscal 1967-68.

ECONOMIC CONDITIONS IN THE DAIRY INDUSTRY

The cost-price problem

Dairy farmers were caught in a tightening cost-price squeeze during most of the 1950's and early 1960's. The unfavorable economic conditions confronting dairy farmers, causing hundreds of thousands of them to quit dairying, were largely the result of several concurrent developments -- the rising production and living costs, unsatisfactory prices received for milk and butterfat, increasing production and marketings of milk, and declining demand for milk and most of its products.

Production and living costs

The general level of prices farmers had to pay for farm machinery, materials, services, farm wages, interest, and taxes, rose 38 percent from 1950 to 1968 (Table 1). Dairy farmers had to compete for workers at rapidly rising wage rates,

and encountered an increasing shortage of hired hands willing to work on dairy farms. Also, the majority of dairy herds were too small to provide adequate net incomes for farm families even if prices received for milk had been substantially higher. Increasingly large capital investments were required to modernize and enlarge dairy farming enterprises. Other farming enterprises, offering larger net returns with less capital investment, as well as off-farm job opportunities, became more attractive alternatives to milking cows for a living.

Farm prices and cash receipts

The U.S. average price of all milk, wholesale -- that is, the average price paid by plants and dealers for milk for manufacturing and bottling uses -- delivered at plants, rose temporarily during the Korean War period in the early 1950's but declined again at the end of the war. The annual average price ranged between $3.97 to $4.23 a hundred pounds during the period 1954 to 1965 (Table 1). While the index of prices paid by farmers was 25 percent higher in 1965 than in 1950, the average price received for milk was only 9 percent higher, and the price received for butterfat in farm-separated cream was slightly lower in 1965 than in 1950.

As a result of the decrease in milk production and numerous actions taken by the Secretary of Agriculture to raise the support prices and Class I prices for bottling milk in Federal milk order markets, the average prices received by farmers for milk rose markedly from $4.23 a hundred pounds in 1965 to $5.25 in 1968.

The total cash income received by farmers from sales of whole milk and cream to plants, dealers, and directly to consumers, trended upward from $3,719 million in 1950 to $5,962 million in 1968 (Table 1). This increase of 61 percent in cash receipts resulted from the increasing marketings (through 1964), rising proportion of sales as whole milk, and increasing prices, especially in recent years. Cash receipts rose 18 percent from 1965 to 1968 despite the reduced production and marketings. The increasing cash receipts, however, have been accompanied by a continuing rise in production costs.

Production and marketings

The continuing excess of milk production and marketings over total consumption of milk and its products on farms where produced and in the commercial market kept the prices received by farmers for milk and butterfat from rising more than they did during most of the last 19 years. The prices would have been substantially lower during most of the period, except for the supporting influence of the extensive dairy price support operations and the stabilizing influence of the Federal milk orders.

Several significant developments and trends since 1950 relating to the total production and supplies of milk, milkfat, and nonfat milk solids, for human food uses, and in the consumption of them, have had important effects on the prices received by farmers.

Milk and its products have been consumed in numerous forms, containing different proportions and amounts of milkfat and nonfat solids. The major forms have been fluid whole milk, cheese, frozen desserts, and evaporated and condensed milks, containing both ingredients in different proportions and quantities, butter

containing only milkfat, and skim milk products containing nonfat milk solids but little or no milkfat. Therefore, developments which have affected the total supplies of milkfat and nonfat solids for human food uses have been important. They have included changes in total milk production, the downtrend in average milkfat content of milk produced, quantities used on farms where produced, and proportions sold by farmers as whole milk and as farm-separated cream.

Until recent years, rising production per cow more than offset the declining number of milk cows. Total milk production trended upward from about 117 billion pounds in 1950 to an all-time high of 127 billion pounds in 1964 -- an increase of about 8 percent. Total production then decreased 8 percent to 117.3 billion pounds in 1968 when it was only half a percent greater than in 1950 (Table 2).

A significant development has been the long downtrend in the average milkfat content of milk produced on farms from 3.96 percent in 1950 to 3.68 percent in 1968 (Table 3). As a result, the total production of milkfat was only 1 percent greater in 1964 than in 1950, and was 7 percent less in 1968 than in 1950.

Since the decline in milkfat content of milk produced has been accompanied by a relatively small decline in nonfat milk solids content, changes in the total production of nonfat milk solids have corresponded more closely to changes in total milk production. Total production of nonfat milk solids was a little smaller in 1968 than in 1950 (Table 4).

While changes in production have been relatively small since 1950, the supplies of milkfat reaching the market in milk and cream sold by farmers have increased substantially and the supplies of nonfat milk solids have increased greatly. This has resulted from the increasing sales of whole milk instead of farm-separated cream, the decrease in quantity of butter made on farms, and the decline in quantity of milk and cream consumed in households and fed to calves on farms where produced (Table 5).

Many farmers, who used to separate milk on their farms, sell the cream, and feed most of the nonfat solids in skim milk to livestock, discarded their separators and turned to selling whole milk to plants and dealers. Sales of farm-separated cream represented only 2 percent of the total farm marketings of milk and cream in 1968, compared with 20 percent in 1950. Many other farmers who have continued in dairying have increased their production and marketings of whole milk. Although dairy farm families generally consume more milk and its products per person than nonfarm families, total consumption of milk and cream on farms where produced has steadily and markedly decreased with the rapid decrease of farms keeping cows. There has been a steady downtrend in the production of butter on farms for home consumption and sale. Meanwhile, with the long downtrend in total number of milk cows, farmers have raised fewer calves and decreased the total quantity of milk fed to them. As a result of these developments, dairy farmers in 1968 sold whole milk and cream containing 96 percent of the milkfat and 95 percent of the nonfat solids produced. In 1950 they sold only 84 percent of the milkfat and 68 percent of the nonfat solids produced.

The milkfat farmers sold in milk and cream (and in the early years some farm-churned butter) increased 15 percent from 1950 to 1964, and in 1968 was still 7 percent greater than in 1950. Meanwhile the big increase in farm marketings

of whole milk increased the total nonfat solids farmers sold in milk and cream 44 percent from 1950 to 1964, and the quantity in 1968 was 37 percent greater than in 1950. The particularly large increase in the market supply of nonfat milk solids, without a corresponding gain in market demand, held down the prices received by farmers for whole milk throughout most of the 1950 to 1964 period. However, because of CCC purchases of nonfat dry milk and cheese under the support program, farmers received, in the prices of whole milk, much more for the nonfat solids component than its value as livestock feed.

Demand and consumption

The total population of the United States increased 33 percent from 1950 to 1968; total civilian employment increased 29 percent; and per capita disposable income (deflated by the consumer price index) rose 46 percent (Table 6). These marked increases in population, employment, and income since 1950 have not been reflected in an increase in consumer demand for milk and its products as a group. The total milk equivalent of consumption of milk and its products on farms where produced and in the commercial market decreased from about 109 billion pounds to 105 billion pounds in the early 1950's when market prices rose sharply during the Korean War (Table 7). Consumption then increased as prices declined. It was relatively stable from 1955 to 1966, ranging between 110 and 112 billion pounds, and then declined to 105.9 billion pounds in 1968. Per capita consumption declined steadily from 727 pounds (milk equivalent, fat solids basis) in 1950 to only 536 pounds in 1968 -- a decrease of 191 pounds or 26 percent.

The consumption of milkfat in milk and its products on farms and in the commercial market has been even less favorable, declining 30 percent from 28.9 pounds in 1950 to 19.7 pounds in 1968 (Table 7). This has been the result of the downtrend in milkfat contents of fluid milk and cream consumed, and decreases in consumption of high-fat cream, butter, and evaporated milk.

Total consumption of nonfat solids in milk and its products on farms and in the commercial market has trended moderately upward, as a result of increasing consumption of low-fat milk, skim milk, nonfat dry milk, ice milk, and cottage cheese, but not as fast as total population. Per capita consumption of nonfat milk solids declined 10 percent, from 43.0 pounds in 1950 to 38.5 pounds in 1968 (Table 7).

Fluid milk products

The largest use of milk has been the consumption of fluid milk and cream on farms where produced and in the commercial market. These uses have taken nearly half of the milk produced. 2/

Total consumption of fluid milk and cream products on farms and in the commercial market (excluding milk consumed in the school lunch and special milk programs) increased somewhat during the early 1950's and then changed little until it declined to 52.7 billion pounds in 1968 when it approximated total consumption 19 years earlier (Table 8). Per capita consumption declined from 349 pounds in 1950 to only 262 pounds in 1968 -- a decrease of 87 pounds or 25 percent.

2/ Dairy Situation, November 1968, Economic Research Service (ERS), USDA.

Consumption of milk and cream on farms where produced has declined steadily since 1950 as the number of farms producing milk has decreased. Sales of fluid milk products in the commercial market increased moderately during the early 1950's but changed relatively little during the late 1950's and early 1960's, although total population steadily increased and the families of many farmers who discontinued milking cows became customers in the market. The consumption was even less favorable in terms of milkfat, than the volume figures indicate, because the fat contents of both whole milk and cream sold for consumption in fluid forms trended downward over the years, while consumption of low-fat and skim milk trended upward.

Manufactured dairy products

Butter has been the second largest use of milk. Between 20 and 29 percent of the milk and cream sold by farmers since 1950 has been churned into creamery butter. This has included a major portion of milk and cream sold by farmers in excess of total consumption of milk and its products in the commercial market, which has been made into butter, nonfat dry milk and Cheddar cheese and sold to CCC under the dairy support program. For this reason butter production has exceeded market consumption during most of the period.

The declining consumption of butter has been the most unfavorable development in the market demand for dairy products. Total consumption of farm-churned butter and of creamery butter in the commercial market decreased 40 percent from 1,633 million pounds in 1950 to 994 million pounds in 1968 (Table 9). This decrease of 639 million pounds in consumption represents, in effect, the loss of market for the milkfat component of nearly 14 billion pounds of milk -- equivalent to 12 percent of total milk production in 1968. Per capita consumption of butter (excluding donated butter) decreased from 10.8 pounds in 1950 to only 4.9 pounds in 1968 (Table 10).

Cheese has been the third largest use of milk, increasing from around 12 percent of the total market supply of milk during the 1950's to 15 percent in 1968. Increasing consumption of virtually all types of cheese has been the most favorable development in the demand for dairy products. Total consumption in the commercial market (sales) of cheese made from whole milk and part skim milk increased from 1,142 million pounds in 1950 to 2,004 million pounds in 1968 (Table 9). Per capita consumption increased from 7.6 to 10.0 pounds (Table 10).

Consumption of ice cream and ice milk also has trended upward since 1950 (Tables 9 and 10).

In contrast, the consumption of canned evaporated milk has steadily declined (Tables 9 and 10).

The rising consumption of nonfat milk solids in the forms of nonfat dry milk and cottage cheese has helped to enlarge the market for the growing supply of the nonfat milk solids moving from farms on to the commercial market (Table 11). Consumption of nonfat dry milk in the commercial market increased from 525 million pounds in 1950 to over a billion pounds in 1968, per capita consumption rising from 3.5 to 5.1 pounds. Consumption, however, did not keep pace with the rapidly increasing production during the 1950's and the early 1960's.

Consumption in 1962, when production was at an all-time high, was equal to only 42 percent of production. Market consumption has represented higher percentages of the smaller production in recent years. However, production has exceeded commercial market demand almost continuously since 1950, the excess being removed from the market through the price support and related programs.

Consumption of cottage cheese (and relatively small volumes of other skim milk cheese) increased from 462 million pounds in 1950 to 900 million pounds in 1968, with per capita consumption rising from 3.1 to 4.5 pounds. Since most of the cottage cheese has been sold as creamed cottage cheese, it has provided a market for substantial quantities of milkfat as well as solids not fat.

Whey solids problem

Although the increasing demand for cheese has been a favorable trend, the rising production of cheese has increased the total volume of whey solids. These milk solids have had little or no market value and have not contributed significantly to the prices paid to farmers for milk used in making cheese. The prices paid for such milk have continued to depend almost entirely upon the market prices of cheese. The large available supplies and low market prices of whey solids, as a potential alternative source of milk solids in some uses, have tended to keep down the market values of nonfat milk solids in skim milk and nonfat dry milk. Whey solids, therefore, also have indirectly influenced the prices paid to farmers for milk for uses other than the manufacture of cheese.

Cheese made from whole milk contains only about half of the nonfat solids in the milk. Cheese made from skim milk -- mainly cottage cheese -- contains only about 40 percent of the nonfat solids in the skim milk used. The remainder of the solids are in the liquid whey drained from the cheese vats. It is estimated that the total quantity of whey solids increased from around 900 million pounds in 1950 to about 1,350 million pounds in 1968. The volume in 1968 was equivalent to about 14 percent of the total supply of nonfat solids sold by farmers in milk and cream.

Whereas most of the milkfat and milk protein go into cheese, most of the lactose (milk sugar) remains in the whey. Dried whey is about 13 percent protein and 73 percent lactose.

Because of their composition and flavor, whey products are not as suitable as skim milk or nonfat dry milk in many uses. However, when the market prices of nonfat dry milk have risen substantially, as in recent years, many users of nonfat dry milk have turned to whey solids or combinations of whey solids, nonfat dry milk, or other products.

Because of the low market value of whey solids, the disposal of whey has been a major problem confronting cheese factories. In 1961, for example, half of the cheese factories in Wisconsin returned whey free to farmers for livestock feed, more than a fourth of the factories disposed of whey as waste or sewage, 17 percent of them gave whey to processors or paid them one or two cents a hundred pounds to take their whey; few plants were able to sell whey. 3/

3/ An Economic Analysis of Whey Utilization and Disposal in Wisconsin, Ag. Econ. 44, July 1965, Dept. of Agricultural Economics, College of Agriculture, University of Wisconsin, Madison, Wis.

Large proportions of the whey processed by processors have been condensed or dried for sale for animal feed. Market prices of dried whey for feed generally have been around 5 or 6 cents a pound -- little more than the cost of transporting and drying the whey. Market prices in early 1969 were still around 5 cents a pound.

Relatively small percentages of the whey solids supplies have been consumed by humans in prepared foods or other products. Market prices for these higher quality solids generally have been a few cents a pound higher than the prices of animal feed grade whey solids -- enough to cover the necessary additional costs of equipment, handling and processing. Although the human consumption of whey solids has increased in recent years, probably using nearly a third of the total dried whey produced in 1968, the average market price of dried whey solids of human food quality was around 8 cents a pound in early 1969.

Import problem and restrictions

U.S. market prices of dairy products generally have been enough higher than the export prices of foreign exporting countries to make the United States an attractive market for the foreign exportable supplies. U.S. imports of most dairy products normally marketed in international trade have been restricted since the early 1950's, under Sec. 104 of the Defense Production Act, as amended (65 Stat. 132 and 66 Stat. 297) and other temporary legislation through June 1953 when this authority terminated and since then under Sec. 22 of the Agricultural Adjustment Act of 1933, as amended, (7 U.S.C. 624).

Sec. 22 provides that, whenever the Secretary of Agriculture advises the President that he has reason to believe that articles are being or are practically certain to be imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program of USDA, the President shall cause an investigation by the U.S. Tariff Commission. If, on the basis of such investigation, the President finds the existence of such facts, he shall impose import fees of up to 50 percent ad valorem or such quantitative limitations on imports as he determines necessary to prevent imports from rendering the program ineffective or interfering with it or from reducing the amount of any product processed in the United States from any such commodity for which a program is being undertaken. The law provides that no quota shall be less than 50 percent of imports during a representative period.

Principal dairy products normally entering international trade which have been subject to import quotas under Sec. 22 since 1953 include butter, most of the principal varieties of cheese (Cheddar, Italian types made from cows milk (in original loaves), natural Edam and Gouda, and Blue-mold), and dry milk products. It has become necessary to take additional actions to restrain imports of other products not normally produced or marketed in international trade but shipped to the United States as a means of exporting foreign produced milk products to this country in circumvention of existing quotas. In April 1957, the President established an import quota on butter-oil and anhydrous milkfat of 1.2 million pounds a year. In August 1957, a zero quota was established for butterfat-sugar mixtures containing over 45 percent milkfat which were being imported and used mainly in ice cream in place of the fat in domestically produced cream.

The import quotas, together with restraints by foreign countries on shipments to the United States of products not subject to quotas, such as frozen cream, butterfat-sugar products containing 45 percent or less of milkfat (called "Junex" and similar names), and Colby cheese, kept total U.S. imports equivalent to less than one percent of domestic milk production through 1965 (Table 12). It became necessary to take further actions, however, in recent years, as domestic prices of dairy products rose, foreign production increased, and foreign export subsidies became larger. During 1966, imports of Junex-type butterfat-sugar mixtures increased rapidly. Imports of Colby cheese, which is very similar to Cheddar cheese, also mounted. Although these increased imports raised the total imports to 2.8 billion pounds milk equivalent (2.3 percent of U.S. milk production) in 1966, market prices of dairy products were well above the support level and CCC bought little or no butter or cheese under the support program during most of the year. Therefore, there was not a clear basis for Sec. 22 action to prevent interference with the support program.

In mid 1966, the Secretary of Agriculture took action under Sec. 206 of the Sugar Act of 1947, as amended (61 Stat. 922 and 76 Stat. 927) (7 U.S.C. 1116) to restrict imports of butterfat-sugar mixtures containing more than 25 percent sugar. While this limitation slowed down the shipment of the products, exporters found that by substituting glucose or nonfat dry milk for part of the sugar, the modified products could be shipped into the United States free of quota restrictions.

By early 1967, domestic market prices had settled to the CCC support buying price level, and CCC had resumed buying dairy products in substantial volumes under the support program, Imports were rising rapidly. In March, the Secretary initiated actions which led to the proclamation by the President, effective July 1, 1967, of new import quotas on all "American-type" cheeses (Cheddar-types, including Colby), butterfat-sugar mixtures containing more than 5.5 but not more than 45 percent milkfat (unless in retail packages), and frozen cream. These, together with the quotas in effect for other products, were intended to keep total imports of dairy products down to about one billion pounds milk equivalent a year - less than one percent of total domestic milk production.

Foreign exporters, however, shifted to the production and shipment of other dairy products, principally cheeses and canned milk, not subject to import quotas. The increased domestic prices in the United States and large foreign export subsidies made it possible for them to produce and ship evaporated and sweetened condensed milk into the United States in both retail cans and in larger containers for use in making ice cream. On recommendation of the Secretary of Agriculture, the President proclaimed temporary quotas on condensed and evaporated milk and cream in June 1968, and directed the Tariff Commission to investigate the need for continuing import restrictions on these products and for additional limitations on several categories of cheese, chocolate and other coatings containing milkfat, and other products containing over 5.5 percent milkfat, not yet subject to import quotas. The increase in shipment into the United States of Swiss-type cheese for processing was particularly marked in 1968. Whereas shipments of Swiss cheese, mainly from Switzerland, previously had been limited largely to well-cured, high quality cheese selling at very high prices, such restraints broke down in 1968 as numerous foreign countries converted surplus milk into Swiss cheese of processing quality and shipped it immediately to this country at prices far below the domestic prices.

Pending completion of the Tariff Commission's investigation and recommendations, the President, upon recommendation by the Secretary of Agriculture, took emergency Sec. 22 action on September 24, 1968, to limit imports of several tariff categories of cheese to approximately the 1967 rates of imports. Import quotas were established for Swiss-type (Emmenthaler and Gruyere-process) and numerous "other" cheese with f.o.b. values under 47 cents a pound, and for processed Edam and Gouda cheeses.

The Tariff Commission submitted its report in December 1968. On January 6, 1969, the President established annual import quotas on canned milk, chocolate milk crumb, processed Edam and Gouda cheese, processed Italian-type cheese, and the following cheeses costing less than 47 cents a pound: Emmenthaler, gruyere-process, and an "other" cheese category. These quotas, together with other quotas already in effect, were expected to hold total imports of dairy products down to the equivalent of approximately 1.3 billion pounds of milk in 1969.

PRICE SUPPORT AND RELATED PROGRAMS

How the support program has operated

The dairy price support program has been administered by the Agricultural Stabilization and Conservation Service (ASCS) and its predecessor agency. The Agricultural Act of 1948 required the support of prices to farmers for milk and butterfat during 1949 at 90 percent of their parity prices. The Agricultural Act of 1949 (7 U.S.C. 1421 et seq., particularly section 1446 (c)) has provided for continuing price support since then.

The 1949 Act has required the Secretary of Agriculture to support the prices received by farmers for milk and butterfat at such level between 75 and 90 percent of their parity prices, as of the beginning of the marketing year, as he determined to be necessary in order "to assure an adequate supply." The Act has provided that the support be carried out through loans on, or purchases of, milk and the products of milk and butterfat. It further has provided that the Secretary shall carry out the support of agricultural commodities through CCC and other means available to him.

The law has provided that the Secretary shall, in so far as practicable, announce the support for a marketing year before the beginning of such year. He could not decrease it during the year but could increase it (up to 90 percent of parity as of the beginning of the marketing year) if he determined at any time during the year that a higher level would be necessary to assure an adequate supply, and he has done so in several years.

The price support has been carried out mainly by CCC purchases of butter, Cheddar cheese, and nonfat dry milk. For this purpose, the Secretary of Agriculture has announced at or before the beginning of each marketing year, and whenever the support level has been raised during the year, the prices at which CCC would buy bulk butter, natural Cheddar cheese, and nonfat dry milk in bulk containers. CCC has accepted all offers of these products in carlot quantities, and meeting CCC quality and other specifications, and other terms and conditions of purchase,

as set forth in detailed announcements. Supplies purchased at announced prices generally have been stored in commercial warehouses, having storage contracts with CCC, pending subsequent dispositions in available program outlets.

CCC has bought large quantities of nonfat dry milk since the early 1950's in packages containing 5.5 pounds, and in recent years in 50-pound bags, to facilitate program uses. In recent years, CCC also has purchased print butter in one-pound packages, and process Cheddar cheese in five-pound loaves. Such purchases have been made, mostly under the support program, on competitive bids, at prices comparable to CCC announced purchase prices plus additional packaging and processing costs. These purchases have been limited to quantities which otherwise would have been sold to CCC at its announced purchase prices. They also generally have been for delivery to CCC within the next two or three months and usually have been moved immediately to program outlets. Occasionally, however, some supplies have been bought when market prices needed strengthening, and stored for later program use, in order that the program would be as effective as possible in maintaining prices to farmers for milk and butterfat.

How farmers have benefited

Dairy farmers throughout the Nation have received substantially higher prices for milk and cream as a result of the dairy support than they otherwise would have received without the program during most of the periods since 1949. 4/

CCC purchases of dairy products have removed from the market any milk produced in excess of total consumption of milk and its products on farms and in the market. The excess has been manufactured into butter, nonfat dry milk and Cheddar cheese and sold to CCC.

CCC purchases have directly or indirectly maintained market prices of all manufactured dairy products. CCC purchases of butter, Cheddar cheese, and nonfat dry milk, have directly maintained market prices of these products which have used about two-thirds of the total supplies of manufacturing milk. Such purchases have indirectly maintained market prices of other manufactured dairy products at comparable levels as a result of the competition among plants for milk and adjustments in the volumes of milk used in producing different products whenever the price of one produce has moved temporarily out of normal relationship to prices of other products.

By providing an outlet for any excess milk and cream, and by maintaining market prices of dairy products, CCC purchases of dairy products have supported the general level of prices received by farmers for milk and butterfat.

4/ A number of analysts have estimated that farm prices would decline sharply if the price support and acreage control programs were terminated. See Farm Policy in the Years Ahead, and Supplement to Farm Policy in the Years Ahead (including independent studies cited in footnotes on page 5 of the Supplement), a report of the National Agricultural Advisory Commission, published through the facilities of USDA, Wash., D.C., November 1964.

The announced support prices have been national average support prices for hundred pounds of manufacturing milk of average milkfat content (approximately 3.7 percent in recent years) and per pound of butterfat in farm-separated cream, delivered to manufacturing plants. The support prices for manufacturing milk have been corresponded to the U.S. average prices paid for manufacturing milk as published in the Department's monthly publication Agricultural Prices, adjusted for seasonal variation in milkfat content. 5/

The purchase prices for dairy products have been set at levels expected to enable manufacturers of dairy products to buy milk and cream from farmers at prices comparable to announced support prices -- that is, prices which would result in U.S. average prices paid for manufacturing milk (adjusted for seasonal variation in milkfat content) and butterfat equal to the national average support prices.

Prices actually paid to farmers by individual plants have been influenced, not only by the prices the plants have received for the dairy products, but also by other factors. They have included the milkfat content of milk, uses of the milk or butterfat, hauling and other services performed, volumes of milk and cream handled, plant handling and processing costs per hundred pounds of milk or per pound of butterfat, premiums paid for bulk tank milk, and intensity of competition among plants for the milk and cream supplies. Some plants generally have paid more than, and others less than, the national average.

Farmers who have produced and sold milk primarily for consumption as fluid milk have received higher prices for milk as a result of the support than they otherwise could have received. The support program has bolstered not only the prices of milk manufactured into dairy products but also the prices of milk used for fluid purposes.

An increasing proportion of the milk produced in the United States has been marketed under Federal milk marketing orders, authorized by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.) during the last two decades. 6/ Such orders, administered by Consumer and Marketing Service (C&MS), regulated the handling and pricing of milk in 67 fluid milk markets in late 1968 and applied to almost 50 percent of the total volume of milk and cream sold by farmers in the Nation and about 70 percent of the milk eligible (in quality) for fluid use.

5/ The prevailing practice of dairy plants in the major midwestern manufacturing milk area has been to add to, or subtract from, their base paying prices a certain amount for each tenth of a percentage point difference in fat test from the base price test (generally 3.5 percent). The most common adjustment for manufacturing milk in recent years has been the Chicago wholesale price per pound of Grade A butter x .120 (approximately 8 cents per 100 pounds of milk).

6/ Milk marketing orders are described in The Federal Milk Marketing Order Program, Marketing Bulletin 27, and Summary of Major Provisions in Federal Milk Marketing Orders, both by C&MS, USDA, Wash., D. C.

The milk orders have classified milk by use and set minimum prices of milk by uses. Usually two use classifications have been established - Class I for milk used for fluid purposes (mainly sale for consumption as fluid milk), and Class II for milk used in manufacturing dairy products. The orders have required handlers to pay farmers for milk not less than specified "blend" prices computed monthly by market administrators on the basis of the minimum prices and the quantities of milk in each class.

In recent years, most of the orders have set the minimum prices for milk used in manufacturing dairy products on the basis of the Minnesota-Wisconsin average price of manufacturing milk, the U.S. average price of manufacturing milk, the market price or prices of one or more manufactured dairy products, or some comparable basis reflecting the prevailing value of milk for manufacturing use.

The majority of the milk orders have set the Class I prices of milk sold for consumption as fluid milk on the basis of prices of manufacturing milk plus differentials to reflect higher costs of producing milk for fluid use. Therefore, increases or decreases in the price support level generally have been accompanied by changes in Class I prices. A few orders have based Class I prices on various economic factors. These Class I prices have not been directly influenced by changes in the support level. However, in recent years, such Class I prices have been raised by amendments to the order or other actions when the support level has been raised and Class I prices in other order markets which have tied the Class I prices to manufacturing milk prices have increased substantially. Also, prices of milk in markets regulated by State regulations, as well as in unregulated areas, generally have been adjusted to the prevailing level of prices for manufacturing milk and Class I prices for milk in nearby Federal order markets.

Parity and parity equivalent prices

The Department of Agriculture in Agricultural Prices publishes monthly parity prices for most farm commodities. These parity prices are computed according to a formula prescribed by law. 7/ For commodities to which price support programs apply parity price is usually one of the factors used in determining the support level.

The law originally defined parity price as one which would give a unit of a farm commodity (e.g., milk) the same purchasing power in terms of the goods and services farmers buy as it had in the 1910-14 base period. The general level of parity prices changes in accordance with changes in the "parity index". The parity index is a measure of the general level of prices farmers pay for the goods and services including interest, taxes, and farm wage rates that they use in farm production and family living. The base period for the index is 1910-14.

7/ How parity prices of agricultural commodities and parity equivalent prices of manufacturing milk are computed has been described in Supplement No. 1 to the January issues of Agricultural Prices. Monthly parity equivalent prices of manufacturing milk have been published in the monthly issues of Agricultural Prices.

Legislation effective in 1950 modernized the parity formula by providing for taking account of changing relationships among the prices of farm commodities in recent years.

Two parity prices have been computed and published for milk and butterfat. One is the parity price for all milk, wholesale; that is, for all whole milk sold by farmers to plants and dealers for all uses, including milk consumed as fluid milk and milk manufactured into dairy products. The other is the parity price for butterfat in farm-separated cream.

USDA also has computed and published parity equivalent prices for manufacturing milk since February 1949 as a basis for determining the support prices for manufacturing milk. The parity equivalent prices have been computed from the parity prices for all milk on the basis of the historical ratios of the U.S. average prices of manufacturing milk to the U.S. average prices of all milk (Table 13). 8/

The parity equivalent price for manufacturing milk corresponds to the U.S. average price paid by plants for manufacturing milk, of average milkfat content, delivered at plants. The average test of manufacturing milk has trended downward from 3.96 percent milkfat in 1949 to about 3.69 percent in 1968.

The parity prices for all milk and butterfat and the parity equivalent prices of manufacturing milk (like the parity prices for other agricultural commodities) have trended upward during the past decade, due mainly to the uptrend in the parity index (of prices, interest, taxes and wages paid by farmers) used in computing parity prices of agricultural commodities. This has raised both the minimum and maximum support levels for milk and butterfat authorized by law. Since the law has provided for dairy price support at a level between 75 and 90 percent of parity as of the beginning of the marketing year, any changes in the parity and parity equivalent prices during such year have not changed the authorized minimum or maximum support levels for that year.

8/ During the first several years the average ratio during the short 30-month postwar period (July 1946 - December 1948) for which comparable price data were available was used. The February 1949 issue of Agricultural Prices stated that the method of computing the parity equivalent price was subject to revision as additional data became available. The April 1954 issue of Agricultural Prices announced that the average ratio since July 1946 would be used until price data for a full 10-year period became available and that thereafter the most recent 10-year average ratios would be used. This use of the 10-year average ratios has been consistent with the method prescribed by law for computing parity prices. The parity equivalent prices, as they have been computed since January 1957, from the parity prices for all milk, on the basis of the latest 10-year average price ratios, have been the same prices as they would have been if separate parity prices had been computed for manufacturing milk by the method prescribed by law for computing parity prices.

Support levels

Prices received by farmers for milk and butterfat in farm-separated cream were supported in 1949 at 90 percent of the parity equivalent price of manufacturing milk and 90 percent of the parity price of butterfat, as required by the Agricultural Act of 1948, through purchases of butter, nonfat dry milk, and Cheddar cheese.

Prices of milk and butterfat have been supported continuously since January 1950 as required by the Agricultural Act of 1949, as amended. The support levels have varied over the full 75 to 90 percent of parity range authorized by the 1949 Act (Table 14).

Developments in production, marketings, market demand and consumption, support purchases, inventories, dispositions, and program cost, have been taken into consideration in determining the levels of support which would assure adequate supplies. When milk production and price support purchases declined, and market prices rose sharply, during the Korean War period, the support level was increased from $3.07 a hundred pounds of manufacturing milk and 60.0 cents a pound of butterfat in 1950-51 to $3.85 and 69.2 cents -- the 90 percent of parity legal maximum -- for 1952-53.

As milk production and price support purchases increased, the support level was dropped to $3.15 for manufacturing milk and 56.2 cents for butterfat on April 1, 1954, where it remained through the 1955-56 marketing year. It was raised moderately for 1956-57 and 1957-58, then dropped to $3.06 and 56.6 cents for the period April 1, 1958, to September 16, 1960, when Congress raised the support level to $3.22 for manufacturing milk and 59.6 cents for butterfat (P.L. 86-799; 74 Stat. 1054).

On March 10, 1961, the Secretary of Agriculture raised the dairy support level to $3.40 for manufacturing milk and 60.4 cents for butterfat effective immediately and extending through the 1961-62 marketing year. Milk production and support purchases of dairy products increased in 1961-62. During the winter, USDA officials consulted with the Advisory Committee on Milk and Dairy Products, appointed by the Secretary of Agriculture and consisting mostly of dairy farmers. The Committee considered alternative production adjustment and payment proposals but did not agree on an alternative. The President recommended that Congress authorize continuation of the 1961-62 support level during the remainder of 1962 pending development of a supply-management program. As such legislation was not enacted, the dairy support level was lowered to $3.11 for manufacturing milk and 57.2 cents for butterfat effective April 1, 1962. The support level was continued at this 75 percent level through 1965-66; however, the support prices increased moderately because parity prices rose.

As milk production turned sharply downward and the volume of support purchases declined during 1965-66, the Secretary raised the support prices on April 1, 1966, from $3.24 to $3.50 for manufacturing milk and from 59.4 to 61.6 cents for butterfat, and later on June 30, 1966, to $4.00 for manufacturing milk and 68.0 cents for butterfat -- 89 percent of the parity equivalent price of manufacturing milk and 83 percent of the parity price of butterfat, as of the beginning of the marketing year. Meanwhile, other related actions were taken to raise the minimum Class I prices required to be paid by milk dealers for bottling milk marketed under Federal milk orders.

On October 14, 1966, some months earlier than usual, the Secretary assured dairy farmers that the support level of $4.00 a hundred pounds for manufacturing milk and 68 cents a pound for butterfat would be continued through the marketing year beginning April 1, 1967.

The increased prices temporarily checked the decline in total milk production, but by early 1968 production again had resumed its downtrend. The Secretary raised the support level for manufacturing milk from $4.00 to $4.28 a hundred pounds, 89 percent of the parity equivalent price, for the 1968-69 marketing year. The support price for butterfat in farm-separated cream was set at 66 cents (the 1967 average price). It was not increased because that would have required a further increase in price of butter with unfavorable effect on consumption.

On December 26, 1968, the Secretary announced that the support price for manufacturing milk would be continued at $4.28 a hundred pounds in the marketing year beginning April 1, 1969, and that the Class I prices to farmers for bottling milk under the Federal order program would continue at the levels then in effect after April 1969 when a temporary 20-cent increase and a basic formula floor price were due to expire. At 9:30 A.M. on April 1, 1969, the new Secretary announced that the support price for butterfat in farm-separated cream in such marketing year would be 68 cents a pound which was estimated to be 75 percent of parity. Normally, the support price would have been announced on or before March 31, but Government offices were closed on March 31, 1969, because of the death of former President Eisenhower. The publication of Agricultural Prices at 3:00 P.M. on April 1 revealed that because of the greater than anticipated increase in the parity index and in the parity price of butterfat, 75 percent of such parity price was 68.6 cents. Therefore, on April 2, the Secretary announced a further increase in the support price for butterfat to 68.6 cents a pound.

Dairy products purchase prices

The Agricultural Act of 1949, as originally enacted, required that the prices to farmers for milk and butterfat be supported through "loans on, or purchases of, the products of milk and butterfat." The Agricultural Act of 1954 (68 Stat. 899) amended the 1949 Act to provide that such support shall be carried out through "loans on, or purchases of, milk and the products of milk and butterfat."

The price support has been carried out largely by purchases of butter, Cheddar cheese, and nonfat dry milk by Commodity Credit Corporation. The Secretary of Agriculture has announced before the beginning of each marketing year, or other period for which support prices have been announced, the prices at which CCC would accept all carlot offers of specified dairy products meeting CCC grade, packaging, and other terms and conditions set forth in purchase announcements (Tables 15 and 16). The purchase prices have been set at levels expected to enable manufacturers of dairy products to buy milk and butterfat from farmers at prices which would result in U.S. average prices paid for manufacturing milk and butterfat equal to the announced support prices. In determining these purchase prices, consideration has been given to developments in average processing and marketing margins, relative market prices, production, stocks, consumption of different dairy products, results of recent price support operations, relative volumes of purchases, CCC stocks, and utilization in available program outlets.

Nearly all of the farm-separated cream has been churned to make butter and the prices paid by creameries to farmers for such cream have depended almost entirely upon the prices received by the creameries for butter. Therefore, CCC's purchase prices for butter have been set at levels which would result in U.S. average prices paid for butterfat equal to the announced national average support prices for butterfat.

The decline in volume of farm-separated cream and increase in volume of whole milk sold by farmers has resulted in an increasing proportion of the butter produced being made from plant-separated cream, with most of the skim milk being dried. CCC's buying prices for nonfat dry milk have been established at levels which, together with CCC's purchase prices for butter, would enable butter-nonfat dry milk plants to buy manufacturing milk from farmers at prices comparable to the national average support prices for manufacturing milk.

Cheddar cheese is made from whole milk. Since cheese factories have received little or nothing for cheese whey, the prices paid to farmers for milk used in making cheese have depended upon the prices they have received for cheese and the small quantity of butterfat separated from the whey. CCC's purchase prices for cheese have been set at levels expected to enable cheese factories to buy milk at prices comparable to the support prices.

Average processing and marketing spreads, between the prevailing wholesale prices of the products and the average prices paid for manufacturing milk or butterfat, have been taken into account in determining CCC's buying prices. For this purpose, three sets of computations have been made: (1) the average spreads between the Chicago wholesale prices of butter and 82 percent of the U.S. average prices paid by creameries for butterfat in farm-separated cream (about .82 of a pound of fat bought by a creamery being required to make a pound of legal butter required to contain at least 80 percent of fat); (2) the average spreads between what the butter-nonfat dry milk plants have received for the butter and nonfat dry milk produced from 100 pounds of milk (based on average yields and market prices) and the U.S. average prices paid for manufacturing milk; and (3) the average spreads between what the factories have received for the Cheddar cheese made from 100 pounds of milk (based on average yields and market prices) and the U.S. average prices of manufacturing milk. Calculations of 1968-69 purchase prices, and the market prices and yields used, are set forth in Table 17.

CCC's purchase prices have been changed, as necessary, whenever the support prices for milk and butterfat have been changed. Also, adjustments have been made occasionally in the relative buying prices for the different products. In general, attempts have been made to set the buying prices for cheese and for the butter-nonfat dry milk combinations so that the support program would not cause milk to be diverted from one use to the other. The relationship, however, has changed over the years as a result of the rapid and extensive development of modern, large-volume, butter-nonfat dry milk plants with lower per unit plant costs, compared with cheese factories. The wholesale prices of Cheddar cheese have increased relative to the combined prices of butter and nonfat dry milk. In 1950, the wholesale value of the cheese and whey fat that could be produced from 100 pounds of manufacturing milk was about 40 cents less than the corresponding wholesale value of the butter and nonfat dry milk which could be produced from

such milk. The value of cheese has risen substantially relative to the value of butter and nonfat dry milk and in recent years has exceeded the latter (Table 18). Because of this changing relationship, CCC's buying prices have been adjusted from time to time in order to keep milk going into the production of cheese for which there has been a growing market demand and which has been well accepted in school lunch and other program uses.

Other developments also have been taken into consideration in establishing CCC's buying prices. Because of the unfavorable consumer demand for butter, for example, CCC's 1967-68 purchase prices for butter were continued in the 1968-69 marketing year, although the support price for manufacturing milk was raised. It was anticipated that CCC's purchases of butter at such prices would support the U.S. average price of butterfat in farm-separated cream at approximately the same level as the 1967 average.

Since the purchase prices of butter were not increased, CCC's buying price for nonfat dry milk was raised by the equivalent of the 28 cents increase in the support price of manufacturing milk to enable butter-nonfat dry milk plants to buy milk at prices comparable to the new support level. 9/

While CCC's purchase prices for cheese and nonfat dry milk have been uniform for all locations, CCC's purchase prices for butter since April 1, 1953, have varied by locations of the butter. Location differentials in CCC buying prices were requested by the butter industry to facilitate distribution and merchandizing of butter from the midwestern area of large production to distant consumer markets. During the last decade, specific CCC buying prices have been announced for most of the Atlantic and Gulf States, New Mexico and California, and at three designated markets - New York City, San Francisco, and Seattle. The CCC prices at all other locations have been the CCC price at the designated market named by the seller less 80 percent of the lowest published rail freight rate from the location at which the butter was offered to CCC to that designated market. The purpose of the less-than-full-freight differentials has been to discourage the movement of surplus butter from the heavy producing area to the designated markets for sale to CCC at those locations. Acquisition of the surplus butter in the producing area has enabled CCC to receive and consider bids from more firms to process and package CCC stocks and to move the products by the most direct routes to program outlets. This has helped to keep down the costs of the price support program.

Other actions have been taken to further discourage the movement of butter before sale to CCC. Purchases of bulk butter by CCC in the northeastern area since May 1, 1965, have been restricted to butter produced there. Also, purchases of bulk butter in the New England States since April 1, 1965, have been at prices based on CCC's buying price at New York less 80 percent of the lowest rail freight rate from the location of butter to New York. This change was adopted because butter previously was being trucked from up-State New York to Vermont for sale to CCC at CCC's higher buying price in Vermont.

9/ Putting all of the increase on nonfat dry milk also avoided enhancing the competitive position of "filled milk", made from nonfat milk solids and vegetable oil, relative to fluid whole milk, by increasing the cost of the milk solids used in filled milk as much as the cost of fluid milk.

While buying dairy products at announced prices, CCC also has bought such products in special packages and forms, on a competitive bid basis, to facilitate their uses in program outlets. These purchases have been made under the support program at prices comparable to CCC announced buying prices for the products plus additional processing, packaging, and handling costs. It generally has been possible for CCC to buy the products in these forms at less cost than the total cost of buying bulk products, moving them into storage, and subsequently contracting to have them processed or repackaged.

A purchase price of $3.95 a case for canned evaporated milk was announced for the period January 1950 to March 1951, but none was offered to CCC at that price. No further offers were made to purchase this product under the support program because the cost of removing a hundred pounds of milk from the market in the form of evaporated milk would have been substantially higher than the cost of equivalent quantities of butter and nonfat dry milk or cheese.

In June 1968, USDA contracted to buy, on competitive bids, with Sec. 32 funds, 1,262,400 cases of evaporated milk at a purchase cost of about $4,363,000, and 2,360,000 pounds of instant chocolate flavored milk beverage mix at a purchase cost of $805,000. These products were bought for delivery over the next six months for donation to needy persons in the United States.

Grades, quality, containers, and markings

The announced support purchase prices have been for butter in blocks of 60 to 68 pounds and of U.S. Grade B and U.S. Grade A or higher, for Cheddar cheese of various styles and sizes and of U.S. Grade A or higher, and for nonfat dry milk in bags containing 100 pounds (and in recent years also 50 pounds) and of U.S. Extra grade (except not more than 3.5 percent moisture since 1952-53). 10/

CCC has offered to buy butter of U.S. Grade B quality at 2 cents a pound below CCC's buying price for butter of U.S. Grade A or higher since 1949. In 1949 about 35 percent of CCC's total purchases of butter was Grade B. Since then the decline in volume of farm-separated cream and the general improvement in quality of the milk supply has improved the quality of butter produced. As a result, the percentage of Grade B butter in CCC's purchases decreased during the 1950's. Since 1958 the percentage has ranged from zero to 2.7 percent.

CCC has bought only nonfat dry milk of U.S. Extra grade, and since 1952-53 has required that it contain not more than 3.5 percent moisture (compared with 4.0 percent in the United States standards for Extra grade) as added assurance that the quality would hold up during prolonged storage pending its use.

10/ In the early years of the support operations, some industry people proposed that CCC buy and remove from the market lower quality products which they felt were damaging the demand for dairy products generally. The proposal was not adopted for two reasons. One was that it was deemed advisable to supply only good quality products to school lunch and other programs. The other was that providing a continuing outlet for low quality products through CCC purchases would not be conducive to quality improvement.

CCC bought nonfat dry milk produced by both the spray and roller methods from 1949 through 1961-62. The buying price for roller ranged from 1.25 to 2 cents a pound below the price for spray nonfat dry milk.

The generally greater demand for, and efficiency in producing, spray nonfat dry milk encouraged a rapid increase in construction and installation of facilities for drying milk by spraying it into chambers heated by hot air during the 1950's. Production of roller nonfat dry milk produced by flowing milk over a heated, revolving drum or roller decreased sharply. The quantity of the roller product offered to CCC under the support program declined from 41 percent of CCC's total purchases in 1949 to less than half of one percent from 1955 to 1961. CCC discontinued buying the roller product on March 31, 1962.

USDA has required the dairy products purchased under the price support and other programs to be packaged in suitable containers meeting detailed specifications set forth in announcements. The specifications have been revised, as necessary, to improve them and specifications for new containers have been developed with the cooperation of container manufacturers and dairy products manufacturers and handlers.

Some of the containers in which CCC has purchased dairy products have changed in accordance with changes in commercial practice. For example, in the early years, most of the natural cheese acquired was the cylindrical "Cheddar" style packed in various containers. Nearly all of the Natural cheese offered to CCC in recent years has been film-wrapped blocks. In 1949 most of the bulk nonfat dry milk sold to CCC was in fiber drums holding 175 to 250 pounds. By 1960 nearly all of the bulk nonfat dry milk offered to CCC was packed in multiwall bags. The only nonfat dry milk bought by CCC in drums since April 1, 1961, has been that requested in drums by the Japan School Lunch Association which agreed to pay the necessary extra cost of buying it in drums on bids.

As an effective method of combating the insect-infestation problem CCC paid .2 of a cent a pound more for nonfat dry milk packed in multiwall bags with sealed closures (tape over stitching) from 1963-64 through December 31, 1965, when CCC discontinued buying the product in unsealed bags.

In recent years CCC has bought nonfat dry milk in multiwall bags containing 50 pounds, which can be handled more easily by women and children and are less subject to damage in program outlets, at prices slightly higher than CCC's prices for the product in 100-pound bags.

The grades and weights of dairy products bought under price support and other programs have been determined by, and evidenced by certificates issued by, the USDA Inspection and Grading Service.

CCC has stored dairy products in commercial warehouses inspected, approved, and under storage agreements with CCC. Butter has been stored in "freezer" space at zero degrees F., or below; Cheddar cheese in "cooler" space at 30 to 32 degrees; and nonfat dry milk in "dry" storage (without refrigeration). CCC's experience has shown that dairy products of high quality can be stored under such storage conditions for several years without serious decline in quality - substantially longer than was thought 20 years ago. However, CCC's stocks

have been subjected to periodic reinspections, generally every 3 to 4 months for butter and cheese, and every 6 months for nonfat dry milk. Any supplies showing evidence of beginning to decline in quality have been moved into program uses.

Virtually all of the butter and cheese acquired under the programs have been consumed as human food. This is quite remarkable considering the fact that the acquisitions from 1949 through March 1969 totalled 3,959 million pounds of butter, and 2,338 million pounds of cheese. Of the 12,495 million pounds of nonfat dry milk acquired, 333 million pounds were sold for animal feed because of off-condition, mainly insect infestation - a problem which has been largely solved by better methods of controlling insect infestation in dairy plants, transportation facilities, and warehouses, and adoption of sealed containers. (See section on sales for restricted domestic use regarding other sales for feed.)

Containers of products specifically packaged or repackaged for donation for domestic or foreign school lunch and welfare uses also have been marked with identifying words and labels, including the words "not to be sold or exchanged". As required by P.L. 480, the markings on containers of dairy products donated for foreign school lunch and welfare uses have indicated that the products have been furnished by the people of the United States of America, insofar as praciticable in the languages of the recipients.

Purchases and other market removals

The largest quantities of dairy products removed from the market through Government programs have been through CCC's price support purchases. Substantial quantities also have been purchased or commercially exported under other USDA programs. Such purchases and exports have had price supporting effects and have resulted in correspondingly smaller price support purchases by CCC.

USDA used Sec. 32 funds to buy some cheese in the market in 1953 and 1954, as well as substantial quantities of nonfat dry milk in most of the years from 1949 to 1960, for domestic school lunch and welfare uses. Sec. 32 of the Act of August 24, 1935, as originally enacted (P.L. 320 74th Cong. - 49 Stat. 774) amended the Agricultural Adjustment Act of 1933 to appropriate for each fiscal year thereafter an amount equal to 30 percent of the receipts from import duties during the preceding calendar year to be available to the Secretary of Agriculture for certain uses including the encouragement of domestic consumption of agricultural products by diverting them from the normal channels of trade and commerce. The Sec. 32 purchases generally were made at prices corresponding to the dairy price support level.

Some butter and cheese also was bought by CCC during the winter of 1966-67 under Sec. 709 of the Food and Agriculture Act of 1965 (P.L. 89-321, 89th Cong. - 70 Stat. 1187) which authorizes purchases of dairy products with CCC funds for school lunch and other program uses at market prices when CCC stocks are insufficient for such uses.

Dairy products have been purchased at announced prices in every year since 1949. The products bought at announced prices have been produced and graded (or at least sampled in the case of nonfat dry milk) before offered and have been bought for immediate delivery. Nonfat dry milk also has been purchased in special

packages, on a bid price basis, for future delivery during most of the period since 1949. Process Cheddar cheese has been purchased on bids for future delivery since July 1961, and "print" butter (in one-pound packages) since February 1964. Generally these products have been purchased for delivery in accordance with weekly delivery schedules over the next one to three months, and may not have been produced when the bids were submitted.

The deliveries under the two types of purchase contracts reflect more accurately the quantities of dairy products which have been removed from the market through purchases in specific periods under the program than the total purchase contracts entered into during such periods. The purchases are shown on both bases in Table 19.

Price support purchases of dairy products were smaller than they otherwise would have been during several marketing years as a result of the commercial exports of butter (and other high-fat products) and nonfat dry milk under the payment-in-kind (PIK) program which was in effect during most of the period from mid-1962 to early 1966. (See section on PIK exports and Table 26).

Substantial quantities of dairy products acquired by CCC under the support program have been returned to the market in some years through CCC sales in the autumn and winter months of seasonably low production when market prices have risen above CCC's support buying prices. (See section on sales for unrestricted use and Tables 33, 34 and 35.) These sales have had the effect of reducing the market removals.

The net removals of dairy products from the market under the several programs (purchases plus PIK exports less sales back to the market) have varied widely since 1949 (Table 20). The largest net quantity of butter removed from the market was 435 million pounds in 1961-62 (28 percent of production), of cheese 379 million pounds in 1953-54 (36 percent of production), and nonfat dry milk 1,303 million pounds in 1962-63 (59 percent of production).

Market removals of dairy products trended downward from 1961-62 or 1962-63 until 1966-67. They increased substantially in 1967-68, then decreased in 1968-69 to 186 million pounds of butter, 69 million pounds of cheese, and 556 million pounds of nonfat dry milk.

The price support and other programs have removed from the market larger percentages of the total nonfat solids than of the total milkfat in the farm marketings of milk and cream, as result of the relatively large quantities of nonfat dry milk removed (Table 21). The percentage for nonfat milk solids reached a high of 13.3 percent in 1961-62 compared with 9.5 percent for milkfat in that year. The percentages in 1968-69 were 5.9 percent for nonfat solids and 4.2 percent for milkfat.

Over the years, the acquisitions of dairy products under the dairy price support and related programs have tended to be largest during the period of seasonally large milk production (Tables 22, 23 and 24). However, CCC has accepted all offers at CCC's announced purchase prices from manufacturers and handlers at all times throughout the marketing years. This has encouraged the industry to

conduct their commercial storage operations, to merchandize through commercial trade channels as much of the total supplies produced as consumers would buy, and to sell only the excess supplies to CCC under the support program.

The largest purchases generally have been in the States of largest production of butter, Cheddar cheese and nonfat dry milk (Table 25). The principal exception has been the relatively large purchases of butter at Chicago, most of which has been produced in States west of Chicago.

All purchases, regardless of locations and sellers, have had broad price supporting effects by maintaining the general levels of market prices and by removing excess supplies from the nation-wide market.

Sales to CCC with option to repurchase

The Agricultural Act of 1949 has provided for the support of milk and butterfat prices to producers through loans on, or purchases of, dairy products. It has not authorized payments to farmers on milk and butterfat sold by them or payments to processors on dairy products manufactured by them.

CCC's purchase and sales procedures were modified for March and April 1954 in a manner which USDA officials considered to be legal under the 1949 Act. U.S. district courts, however, subsequently held that the purchase and sales transactions under the modified procedures were not bona fide purchases and sales but were in the nature of payments not authorized by the law.

As required by the Act, the Secretary of Agriculture had announced in March 1953 the milk and butterfat support prices for the marketing year April 1, 1953 to March 31, 1954, and the prices at which CCC would buy butter, cheese, and nonfat dry milk throughout that year to carry out the support. On February 18, 1954, the Secretary announced marked decreases in the support prices from $3.74 to $3.14 a hundred pounds for manufacturing milk and from 67.3 to 56.0 cents a pound for butterfat in farm-separated cream, and corresponding reductions in CCC's support buying prices by about 8 cents a pound for butter, 4.75 cents for cheese and 1 cent for nonfat dry milk, effective April 1, 1954.

It was apparant that manufacturers and other owners of butter and cheese would sell to CCC as much of their inventories as possible before March 31 in order to minimize their financial losses which would result from declines in market prices on April 1, and that the trade would buy supplies from CCC in April to fill market needs.

CCC had followed the practice of announcing near the end of each month CCC's sales prices of agricultural commodities in the next month. For several years CCC's sales prices for dairy products for unrestricted uses, when available, had been above CCC's current support purchase prices by approximately 3 cents a pound for butter, 2 cents for cheese, and .5 to 1.5 cents for nonfat dry milk. On March 4, 1954, USDA made advance announcements of CCC's April sales prices at the usual margins above CCC's April purchase prices. The announced April sales prices for butter and cheese were substantially below CCC's March purchase prices.

The March 4 release announced that for the remainder of March CCC's purchase and sales operations were being modified "so as to provide more effective price support for dairy farmers' manufacturing milk prices during March and to permit more orderly commercial distribution of butter, Cheddar cheese, and nonfat dry milk solids during the next six weeks." The announcement stated that, to help maintain manufacturing milk prices, the grading of cheese and nonfat dry milk could be completed after March 31 but before settlement, and that packaging requirements for cheese sold to CCC and repurchased were being modified to avoid waste of labor and material which otherwise would result from repackaging to meet CCC's container specifications. The March 4 release announced that "All sellers offering butter, Cheddar cheese, and nonfat dry milk solids during the remainder of March will be permitted immediately to contract to repurchase during April such offerings at the USDA April sales prices ... the product will remain in seller's custody for the account of USDA. Repurchase will be completed either as of April 1, or as soon thereafter as grade and weight certifications for the products have been completed."

Prior to March 1954, CCC's purchases were made under the terms and conditions of purchase announcements, and CCC's sales were made under separate announcements. However, in order to simplify the procedures for sales to CCC during the remainder of March and contracting to repurchase the products in April, USDA issued on March 12, 1954, Announcement Da-112 under which sellers both sold butter and cheese to CCC and contracted to repurchase the same products from CCC in April.

Sellers offered to sell to CCC in March and to contract to repurchase from CCC in April, under Da-112, about 5.2 million pounds of butter and 86.7 million pounds of cheese. CCC paid to them approximately the difference between the total value at CCC's March purchase prices and total repurchase value at CCC's April sales prices.

Because the legality of the Da-112 transactions were subsequently questioned by a Congressional Committee, the Comptroller General and Attorney General were asked to review them. Eventually the Department of Justice initiated action in the U.S. District Court in Baltimore to recover the amounts paid by CCC to several sellers in settlement of Da-112 transactions on butter and cheese. Sellers initiated actions in the U.S. District Courts in Minneapolis and Madison for declaratory judgments. The litigants in all three trials agreed that there was no wrong doing by USDA and that the only point at issue as a technical legal question under the Agricultural Act of 1949. The Baltimore Court held that the Da-112 transactions were not legally "purchases" by CCC under the law, and the firms involved were ordered to refund to the U.S. Government the amounts received from CCC. The Minneapolis and Madison Courts later concurred with the Baltimore decision. The amounts paid to all sellers under Da-112 were recovered. Since these actions had the effect of nullifying such transactions, the quantities involved are excluded from the tables on CCC purchases, sales, and expenditures.

PIK exports

During most of the period from June 1962 to March 1966, an export PIK program was in effect for nonfat dry milk and for butter and other products containing at least 75 percent of milkfat. This program was carried out under Sec. 5 of the CCC Charter Act which authorizes CCC to "export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities." CCC made

payments to exporters in the form of negotiable PIK certificates with values based on the quantities exported and the export payment rates. The export payment rates were either announced or established by acceptance of offers from exporters, and approximated the differences between the domestic market prices and the prices at which CCC sold or offered its stocks for sale for commercial export. The PIK certificates could be used to buy agricultural commodities from CCC stocks. Most of them were used to buy wheat. The PIK program, administered by Foreign Agricultural Service (FAS) through ASCS and its Minneapolis Commodity Office, facilitated exports from commercial supplies of products meeting foreign customers' specification, without first being sold to CCC under the support program and then bought from CCC under its export sales program. The PIK exports of butter (and butter equivalent of other high-fat products) increased to 115.5 million pounds in 1964-65 and such exports of nonfat dry milk reached 462.7 million pounds in 1964-65 (Table 26). Because of the PIK exports, CCC's price support purchases were correspondingly smaller than they otherwise would have been.

Loans on whey products

The Agricultural Act of 1949 provides that price support to farmers for milk and butterfat shall be provided through loans on, or purchases of, milk and the products of milk and butterfat. Except for loans on whey products in 1954, the support has been carried out by the purchase method. The purchases have given CCC immediate ownership of the products (or near-future ownership of products bought on bids), and thereby has enabled CCC to sell or donate the products as soon as possible to program outlets. This has helped to maximize the utilizations and to keep down storage stocks.

Price support loans by CCC are "nonrecourse" loans. CCC looks only to the pledged or mortgaged collateral (the commodity) for settlement of the loan. Borrowers may elect to either pay off the loans or forfeit the collateral to CCC.

On May 24, 1954, USDA announced that CCC would make nonrecourse loans on whey products and dry buttermilk to offset possible loss of market sales which might result from CCC sales of nonfat dry milk for use in animal and poultry feeds. (See section on sales for restricted domestic use). Processors of whey products expressed the belief that the conditions of sale of the nonfat dry milk would not prevent its displacement of whey products normally used in feeds. They advided the Department that such displacement would reduce market prices of whey products which then barely covered costs of processing and handling of whey products, reduce their purchases of liquid whey from cheese factories, make it necessary for cheese factories to incur costs of whey disposal facilities, and decrease prices to farmers for milk. Representatives of the dairy industry indicated that the sales of nonfat dry milk would have a similar adverse effect on the market for dry buttermilk.

The announced loan rates per pound of milk solids in the eligible products ranged from 4 cents for condensed whey in tanks to 6.75 cents for dry whey product and 8.5 cents for dry buttermilk.

CCC received no applications for loans on dry buttermilk. Loans totaling $3,967,904 were made on 66 million pounds of milk solids in whey products, mostly dry whey, during the summer of 1954. Loans totaling $102,775 on 1.7 million pounds of milk solids in whey or whey products were paid off. The remainder,

acquired by CCC upon maturity of the loans on or before March 31, 1955, was sold by CCC, for little more than cost of transporting the products to port, for commercial export in order to dispose of these stocks for which there was no domestic need.

Military milk program

From late 1954 through June 1965, CCC paid part of the cost of additional fluid milk purchased by the military and other agencies named in Sec. 202 of the Agricultural Act of 1949. They included the U.S. Army, Navy (and Marines), Air Force, Coast Guard, U.S. Merchant Marine Academy, and Veterans hospitals.

This program, generally referred to as the "military milk program", was carried out under the authority in Sec. 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) for CCC to buy milk for price support and the authority in Sec. 202 of the Act (7 U.S.C. 1446a) for CCC to donate milk and dairy products to the military and other agencies. CCC reimbursed the participating agencies for their additional purchases of milk in amounts per 100 pounds of milk approximately equal to the current costs to CCC of buying and removing from the market, and handling, equivalent quantities of milk in the form of dairy products under the support program. The basis for CCC's reimbursement was that increased consumption of milk under the program resulted in correspondingly smaller CCC purchases of butter and nonfat dry milk, or cheese.

During the fiscal year ending June 30, 1965, the last year of the program, CCC reimbursed the participating agencies in the amount of $26.2 million for their purchases of 640 million pounds (312 million quarts) of milk (Table 27).

CCC's rate of reimbursement approximated half the average cost per 100 pounds of milk to the participating agencies. Thus the agencies also expended more for milk as a result of the program than they did previously. Since June 30, 1965, the full costs of all milk purchased by the agencies have been borne by their appropriations. The appropriations for the Department of Defense have included funds for continuing the high rate of consumption of milk in troop feeding.

Milk in the School Lunch and Special Milk Programs

Milk has been included in the plate lunches offered in almost all of the schools participating in the National School Lunch Program which has been financed in part by appropriations to carry out the National School Lunch Act of 1946. The estimated consumption of milk in these school lunches in recent years is about 1.7 billion pounds (over 3 billion half-pints) a year (Table 28). This is 1.5 percent of total farm marketings of milk.

In addition, about an equal quantity of milk -- 1.7 billion pounds (over 3 billion half-pints) in recent years -- has been consumed by children in schools participating in the National School Lunch Program and in other schools, and also children in child-care centers, summer camps and similar non-profit institutions, under the Special Milk Program. These children get extra milk at reduced prices since local authorities are partly reimbursed for locally-bought milk they provide. The total is equivalent to an additional 1.5 percent of total farm marketings.

From 1955 to mid-1958 the Special Milk Program was authorized by Section 201 (c) of the Agricultural Act of 1949 -- the same section which has provided for the dairy price support program. Since then the Special Milk Program has been authorized by other legislation. Public Law 85 - 478, approved July 1, 1958, (72 Stat. 276) as amended (7 U.S.C. 1446 note), which authorized continuation of the Special Milk Program for another three years, stated that amounts expended in the Special Milk Program pursuant to that statute and Section 201 (c) of the Agricultural Act of 1949 "shall not be considered as amounts expended for the purpose of carrying out the price support program." The program has been conducted in recent years pursuant to authority contained in Section 2 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 note).

Federal expenditures in the Special Milk Program have been provided from funds available to CCC, specific appropriations, or transfers from Sec. 32 funds for that purpose as provided by appropriation acts. The federal expenditure in this program in the fiscal year which ended June 30, 1968, was about $103 million (Table 38). The part of the cost of the milk borne by the Federal Government in recent years has averaged about 3.3 cents per half-pint.

Utilizations

Dairy products removed from the market through price support and other purchases have been used in many ways (Tables 29, 30 and 31).

Products acquired with Sec. 32 funds and under Sec. 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446 a-1) have been purchased for, and used in, the domestic school lunch and welfare programs.

Dairy products acquired by CCC under the dairy price support program have been sold or donated for numerous domestic and export uses. They have included: Sales back to the domestic market for unrestricted use at prices above CCC's current support buying prices; sales for domestic restricted uses; sales for commercial export at competitive prices; sales to the Department of Defense for troop feeding overseas in lieu of supplies from foreign sources; sales to foreign governments and other agencies at concessional prices for school lunch and other feeding programs; donations to the U.S. Armed Forces and related agencies for their increased use over and above their normal market purchases; donations for use in the domestic school lunch program and by needy persons; donations for use in foreign school lunch programs and by needy persons; and donations for miscellaneous uses.

Sales for unrestricted uses

Dairy products acquired by CCC under the dairy price support program have been offered for sale for unrestricted uses at prices above CCC's support buying prices. Sec. 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) authorizes CCC to sell any farm commodity owned by CCC at any price not prohibited by that section.

Dairy products have not been subject to the restriction in Sec. 407 that CCC shall not sell any "basic agricultural commodity or storable nonbasic commodity" at less than 5 per centum above the current support price for such commodity plus reasonable carrying charges (except for export and certain other restricted uses). Dairy products are not "basic commodities", and in the docket (RCP-98a) establishing the first milk and butterfat price support program (for 1950-51)

under the 1949 Act, the Secretary of Agriculture made an administrative determination that dairy products are not "storable commodities" as defined in the Act Sec. 408 (a) of the Act (7 U.S.C. 1428 (a)) defines storable commodities as follows: "A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price support program."

CCC sales prices for dairy products for unrestricted uses, however, generally have been consistent with the congressional policy set forth in Sec. 407 of the 1949 Act for basic and storable commodities. Sec. 407 provides that "in determining sales policies for basic agricultural commodities or storable nonbasic commodities the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop."

CCC's sales prices for unrestricted use generally have been above CCC's current support buying prices by at least a season's average storage and other carrying costs. The mark-ups since 1950-51 have ranged from about 3.0 to 9.25 cents a pound for butter, 1.25 to 5.75 cents a pound for Cheddar cheese, and 0.5 to 3.0 cents for spray nonfat dry milk (Table 32). The largest mark-ups were in 1958-59. When the President vetoed Senate Joint Resolution 162 (which would have nullified a previously announced decrease in support level for 1958-59), he announced that dairy products acquired under the support operation would not be offered for sale in the domestic commercial market during the remainder of 1958 at less than 90 percent of parity.

The mark-ups were smaller during the next several years. On March 30, 1967, the Secretary of Agriculture announced that dairy products acquired by CCC under the support program would not be offered for sale back to the domestic market at less than 110 percent of the purchase prices.

In only a few of the last 20 years has CCC sold significant quantities of dairy products back into the domestic market for unrestricted use (Tables 33, 34, 35). In most years commercial supplies have filled market demand. The availability of CCC stocks, however, has had a market price stabilizing influence on several occasions by preventing the temporary sky-rocketing of prices which would have damaged the consumer demand for dairy products without lasting benefit to farmers from such temporary price rises. Whenever CCC has sold dairy products for unrestricted use, such sales have recovered for CCC its full purchase and other costs. This has helped to keep down the total cost of the support program.

Sales for restricted domestic uses

From 1954 to 1959 CCC sold small quantities of butter at 23 to 27 cents a pound for use in manufacturing chocolate products. The butter was used to extend (partially replace) imported cocoa butter which had increased in price.

CCC sold substantial quantities of nonfat dry milk for restricted domestic use as animal and poultry feed in nearly every year of the 1950's and early 1960's. Except in 1954, most of it was sold for feed because of off-condition, mostly insect infestation. This problem has been largely solved by more effective insect control methods in dairy plants, transportation facilities, and storage warehouses, and the requirement that the bags containing nonfat dry milk sold to CCC have sealed closures. Only small quantities have been sold for feed because of insect infestation in recent years.

In early 1954, CCC's uncommitted inventory of nonfat dry milk reached 599 million pounds (Table 37). CCC was buying at a high rate, and was encountering a serious storage space problem. At that time soybean meal was in relatively short supply and unusually high in price as a result of the small crop of soybeans in 1953. From May to August 1954, CCC sold about 570 million pounds of nonfat dry milk for use as a protein supplement in animal mixed feeds. The sales price was 3.5 cents a pound, delivered at feed mixing plants, in all States except the western States where the price was 4.0 cents. These prices were considered to be comparable to costs to feed mixers of other protein ingredients. The nonfat dry milk was sold on condition that it be incorporated in mixed feeds without displacing commercial supplies of milk solids normally used in calf, poultry, and other feeds.

Except for the 1954 sales, nonfat dry milk sold for feed generally has been sold at prices comparable to the prevailing market prices of "dry skim milk" for animal feed uses. 11/

Sales to U.S. military agencies

In 1953 and 1954, CCC sold some butter, at substantially less than cost, to the U.S. military agencies for their increased consumption over and above their normal market purchases. From 1951 to 1954, CCC also sold some nonfat dry milk to the U.S. Army for civilian feeding in occupied areas in Europe.

In every year from 1954 to 1966, CCC sold some dairy products, mainly butter, to the U.S. military agencies for their normal requirements overseas which they otherwise would have procured from foreign sources. These products were sold to them at prices comparable to CCC's sales prices for commercial export.

Commercial export sales

CCC has sold butter, Cheddar cheese, and nonfat dry milk, for commercial export from time to time when this could be done without depressing prices of these products in international trade. Such exports during 1962 to 1966 were in addition to the PIK exports since exports of dairy products purchased from CCC's stocks at CCC's export sales prices were not considered as exports under the PIK program.

CCC has sold butter, Cheddar cheese, and nonfat dry milk for commercial export for dollars, foreign currencies, and barter.

11/ In accordance with industry sponsored Federal legislation, the dairy industry for many years has called the higher quality human food product "nonfat dry milk", and has continued to call the lower quality animal feed product "dry skim milk".

Title I of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), as amended, has authorized sales of surplus agricultural commodities, from stocks acquired by CCC under price support programs or from private stocks, for foreign currencies, pursuant to agreements between the United States and friendly foreign countries. 12/ In this program, U.S. exporters have negotiated export sales to foreign customers. The foreign importers have paid the United States Government for the commodities in their countries' currencies, and CCC has paid the U.S. exporter in dollars.

Title III of P.L. 480 has authorized the Secretary of Agriculture to barter or exchange agricultural commodities owned by CCC for strategic or other materials of which the United States does not produce its requirements, or for materials, goods, or equipment in connection with foreign economic and military aid, or offshort construction. The CCC Charter Act has authorized CCC to export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities. (15 U.S.C. 714c - 62 Stat. 1070).

Generally CCC has sold or offered its dairy products for export at prices competitive with the prevailing prices of foreign supplies in international trade. Such prices have been far below the U.S. domestic market prices. During the period 1954 to 1965, when CCC sold or offered butter for sale for commercial export, CCC's export prices ranged from 23.25 to 49.41 cents a pound at ports of export (Table 36), while the Chicago wholesale prices ranged from 57 to 63 cents. CCC's export sales prices for Cheddar cheese ranged from 22 to 35 cents a pound, compared with the range of 32.5 to 42.8 cents a pound in the average wholesale price at Wisconsin assembling points. CCC sold or offered nonfat dry milk for commercial export during most of the period 1950 - 1968. Its export sales prices ranged from 5.73 to 15.12 cents a pound, compared with a range of 12.25 to 20 cents a pound in the U.S. average manufacturers' selling prices.

In order to facilitate commercial exports of products meeting foreign customers' specifications, the terms and conditions of CCC's sales for export generally have provided that the exporter could sell the products bought from CCC in the domestic market and export equivalent quantities of certain other dairy products. For example, in lieu of exporting butter (containing 80 percent of milkfat) bought from CCC, the buyer has been permitted to export an equivalent quantity of milkfat in butter containing the higher percentage of fat demanded in most foreign markets, or an equivalent quantity of fat as butteroil or anhydrous milkfat for recombining with nonfat dry milk overseas to make fluid milk products, ice cream, or other products. He also could export an equivalent quantity of milkfat as ghee. Products known as butteroil and ghee (made from butter), and anhydrous milkfat (made from cream), contain nearly 100 percent milkfat. Ghee is similar to butteroil except that ghee has a distinct flavor desired in some Asian countries.

Buyers of Cheddar cheese from CCC have been permitted to export equivalent quantities of milkfat in the forms of other Cheddar cheese or certain types of process cheese and cheese foods. Buyers of nonfat dry milk from CCC have been permitted to export other nonfat dry milk instead.

12/ Public Law 480-83rd Cong. (68 Stat. 454). P.L. 480 was completely revised effective January 1, 1967, by the Food for Peace Act of 1966, P.L. 89-808 (80 Stat. 1526 - 7 U.S.C. 1691 et seq.).

Foreign markets for butter, cheese, and nonfat dry milk generally have been relatively unattractive in price, erratic in volumes, and increasingly subject to severe competition from large foreign export subsidies and import restrictions of one kind or another. From 1954 to 1963, total U.S. commercial exports of butter for dollars, foreign currencies, and barter, (from CCC stocks or under the PIK program), even at relatively low prices, ranged from 1 to 29 million pounds a year. Commercial exports of butter, under CCC export sales and PIK programs, ranged from 67 to 110 million pounds in 1963, 1964 and 1965 when relatively large quantities were shipped to Europe to meet a temporary demand for it there. U.S. commercial exports of Cheddar cheese have been small, ranging from 0 to 15 million pounds a year since 1954, because U.S. produced cheese generally has not been permitted entry into the United Kingdom which has been the world's major importer of Cheddar cheese.

From 1955 to 1962, U.S. commercial exports of nonfat dry milk sold by CCC for export ranged from 71 to 158 million pounds a year. The nonfat dry milk was shipped to many countries. Commercial exports, under CCC's sales and PIK programs, increased sharply during 1963 and 1964, reaching a total of 649 million pounds in 1964. Most of the gain in exports went to Europe to fill an increased demand for dry skim milk for use in producing milk-fed veal.

Commercial export market prospects for U.S. dairy products deteriorated in recent years and by 1968 were almost nonexistent. This development came about because of increased foreign dairy production, and accumulation of huge stocks of dairy products in western Europe, the major market. Excess supplies, and resort to payment of large export subsidies by some countries, severely depressed the prices of dairy products in international trade.

While milk production in the United States has declined, production has increased in a number of major foreign producing countries in recent years. The foreign production of butter, cheese, and nonfat dry milk has increased accordingly. Foreign production of nonfat dry milk has risen greatly. Huge stocks of dairy products, especially butter and nonfat dry milk, accumulated in Europe during 1967 and 1968. While domestic prices have generally been maintained or raised by Government actions in most of the foreign countries, prices of dairy products in international trade have declined. The major foreign producing countries have resorted increasingly to import restrictions and large export subsidies in an effort to dump their large surplus on other markets at extremely low prices. As of August 1968, the European Economic Community (EEC) had fixed common export subsidy rates on dairy products exported to countries outside the EEC. For example, the export subsidy rates were fixed at 48.31 to 60.33 cents a pound (according to country of destination) for butter, 30.84 cents a pound for Cheddar cheese, 9.07 to 10.43 cents a pound for nonfat dry milk for human food, and 5.33 cents a pound for nonfat dry milk (denatured) for animal feed. 13/

13/ Foreign Agriculture (August 26, 1968, issue), FAS, USDA.

Noncommercial export sales

CCC has sold some butter and cheese, mostly during the 1950's at reduced prices to foreign governments and other agencies for school lunch and welfare uses overseas. CCC also has sold sizeable quantities of nonfat dry milk to foreign governments and other agencies for school lunch and welfare uses. From 1949 to 1966, such sales of nonfat dry milk ranged from 20.2 to 192.9 million pounds. They declined sharply to only 4.0 million pounds in 1967 after CCC's purchases and stocks had declined. However, they increased to 79.7 million pounds in 1968.

Donations for domestic school lunch and welfare uses

Dairy products donated for school lunch, needy family, and similar uses, have helped to improve the diets of millions of children and others in the United States.

The largest quantities of dairy products distributed for these uses have been donated under the authority of Sec. 416 of the Agricultural Act of 1949. Sec. 416 of the Act, as originally enacted, authorized CCC to donate food commodities in the forms as acquired by CCC, at no cost at point of storage, to public and private organizations for domestic school lunch and welfare uses and for assistance to needy persons outside the United States. Title III of P.L. 480 amended Sec. 416 in 1954 to make more specific and broaden the authority for CCC to donate foods and pay costs. It authorized CCC to donate food commodities acquired in price support operations, (in excess of domestic sales, without impairing the support program and export sales at competitive world prices), to the Bureau of Indian Affairs and to State, Federal, or approved private agencies, for use in the United States in nonprofit school lunch programs, nonprofit summer camps for children, and in the assistance of needy persons, including those in charitable institutions and hospitals. It also authorized CCC to pay reprocessing, packaging, transporting, handling, and other charges, up to the time of delivery of such commodities to the recipient agencies.

In addition, the dairy products purchased in the market with Sec. 32 funds during the 1950's and substantial quantities sold, at cost, by CCC to Sec. 32 programs from time to time, also have been donated for domestic school lunch and welfare uses. Butter and cheese bought under Sec. 709 of the Food and Agriculture Act of 1965 in 1966-67 were donated for school lunch use.

The amendment of Sec. 416 to authorize CCC to pay additional costs made it possible to broaden and increase the uses of dairy products in school lunch and welfare programs. The quantities used have varied substantially as the price support purchases have varied. During the three calendar years 1962 to 1964, when CCC acquired relatively large quantities under the support programs, the average annual quantities donated (committed) by CCC for domestic school lunch and welfare uses were 164 million pounds of butter, 137 million pounds of cheese, and 185 million pounds of nonfat dry milk. Between half and two-thirds of the butter, about one-third of the cheese, and 15 percent of the nonfat dry milk went into school lunch programs. The remainder was donated to needy families and charitable institutions. Domestic donations of butter and cheese for welfare uses were curtailed as CCC purchases decreased in 1966-67, but increased as purchases increased in 1967-68.

Donations to U.S. military and other uses

CCC has donated substantial quantities of butter, and some cheese and nonfat dry milk, to U.S. military and related agencies for their increased use under Sec. 202 of the Agricultural Act of 1949. This section, which was added to the Act in 1954, provides for CCC to donate dairy products acquired under the dairy price support program to the Department of Defense and the Administrator of Veterans Affairs for additional use as part of the rations of the Army, Navy, Air Force, U.S. Merchant Marine Academy, and Veterans hospitals, upon certification that they have bought the usual quantities in the market.

CCC has donated some dairy products to penal institutions as authorized by Sec. 210 of the Agricultural Act of 1956 (70 Stat. 202 - 7 U.S.C. 1859).

CCC also has donated small quantities of dairy products for miscellaneous uses, such as research related to increasing the utilization of such products.

Donations for foreign school lunch, welfare, and other uses

Large quantities of dairy products, acquired by CCC through price support purchases, have been donated for use in school lunch, maternal and child-feeding, food-for-work, famine or other disaster relief, and similar programs, in more than 100 foreign countries.

Donations for these uses have been authorized by Sec. 416 of the Agricultural Act of 1949 and Title II of P.L. 480. As originally enacted, Sec. 416 authorized CCC to donate food commodities acquired in price support operations, in excess of CCC sales and domestic donations, to private welfare organizations for the assistance of needy persons outside the United States. Title III of P.L. 480, enacted in 1954, amended Sec. 416 to broaden the authority for CCC to donate food commodities acquired in price support operations, in excess of sales and domestic donations, to "nonprofit voluntary agencies registered with the Committee of Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons and in nonprofit school lunch programs outside of the United States."

Until January 1, 1967, Title II of P.L. 480 authorized the President of the United States to donate CCC stocks of agricultural commodities to friendly foreign nations to meet famine or other urgent or extraordinary relief requirements.

The Food for Peace Act of 1966 revised Title II of P.L. 480 to replace and broaden the foreign donation authorities previously contained in Sec. 416 and Title II. The new Title II, effective January 1, 1967, authorizes the President to "furnish agricultural commodities on behalf of the people of the United States to meet famine or other urgent or extraordinary relief requirements; to combat malnutrition, especially in children; to promote economic and community development in friendly developing areas; and for needy persons and nonprofit school lunch and preschool feeding programs outside of the United States."

Since 1954, the legislation has authorized CCC to pay, in addition to the cost of acquisition, the costs for packaging, processing, transportation, handling, and other costs, of delivery to ports or points of entry abroad, including

transportation to points of entry in the case of landlocked countries. The new Title II authorizes CCC to pay costs of enrichment and fortification and, since January 1, 1967, CCC has paid the cost of adding vitamins to most of the nonfat dry milk donated for foreign program uses.

The program in which CCC donated dairy products have been used, have been operated by the Governments of the recipient countries under bilateral agreements with the United States, or on a multilateral basis through the World Food Program, 14/ and under the direction of U.S. voluntary agencies (registered with the Advisory Committee on Voluntary Foreign Aid) such as CARE, Catholic Relief Services, and Church World Service, and international organizations such as Food and Agriculture Organization (FAO), United Nations Relief and Works Agency (UNRWA), and the United Nations Children's Emergency Fund (UNICEF).

CCC's annual donations of butter for foreign program uses since 1950 have ranged from zero in some years, when sales or domestic programs took most of CCC's reduced acquisitions, to 181.5 million pounds in 1955 following CCC's large purchases and accumulation of stocks. The foreign donations of butter from 1950 through 1968 totaled 802 million pounds. The butter has been donated in the forms of canned butter, butteroil, and ghee.

CCC's foreign donations of cheese also ranged widely, from zero in some years to 155.5 million pounds in 1956, as CCC's support purchases fluctuated. Foreign donations of cheese, as natural and canned process cheese, from 1950 through 1968 totaled 659.6 million pounds. Most of it was donated from 1954 to 1958.

By far the largest CCC foreign donations have been nonfat dry milk. Such donations ranged from zero in 1952 to 753.3 million pounds in 1961. Donations from 1950 through 1968 totaled 6,911 million pounds.

Uncommitted inventories

CCC's uncommitted inventories (stocks in storage or to be delivered under purchase contracts, and not yet sold or donated) have varied widely since 1950-51, as a result of variations in support purchases and the time involved in developing program uses (Table 37). CCC's largest end-of-month uncommitted inventories were 455 million pounds of butter, 425 million pounds of cheese, and 599 million pounds of nonfat dry milk in 1954. Smaller purchases and increased utilizations decreased inventories to small volumes by 1958. They increased again to relatively large volumes during the early 1960's and then declined until late 1965 when virtually all supplies had been committed to programs. At the end of the 1968-69 marketing year, CCC had moderate uncommitted inventories of 80 million pounds of butter and 54 million pounds of cheese but a sizeable inventory of 202 million pounds of nonfat dry milk.

Program expenditures

The dairy price support and related programs have been financed with funds available to CCC from various sources, and with congressional appropriations

14/ The World Food Program is a joint effort by the Food and Agriculture Organization of the United Nations, and the UN itself, to channel contributions made by member Governments-- in kind (food, fertilizer, shipping services, etc.) and cash into support of development projects in less developed lands.

for the purposes of Sec. 32, the Special Milk Program for children, and the National School Lunch Program. Expenditures are shown in Table 38 by type of program (other than funds appropriated for the National School Lunch Program).

All of the strictly price support purchases of dairy products have been financed initially with funds available to CCC through borrowing from the U.S. Treasury, appropriations to reimburse CCC for its losses on sales and donations and its expenditures in other programs, receipts from sales of commodities, and repayment of CCC loans by farmers and others. 15/

The net CCC expenditures for price support purchases have been less than CCC's gross expenditures in acquiring, processing, packaging, transporting and storing, dairy products, because CCC has received some proceeds from sales of dairy products to commercial buyers for domestic use and commercial export, to U.S. military agencies, mainly for their overseas use, to foreign Governments and private welfare agencies for restricted uses, and to Sec. 32 programs for domestic school lunch and welfare uses. The net CCC expenditures under the support program since 1949-50 have ranged from a net receipt of $49.1 million in the Korean War year 1950-51, when CCC's sales of dairy products exceeded CCC's purchases, to $539.0 million in 1961-62 (Table 38). These net expenditures have included the purchase and related costs of all CCC-owned dairy products donated for various program uses (except those donated under Sec. 32 and Sec. 709 programs) shown in Table 39. 16/

From 1954-55 through 1964-65, CCC expended up to $26.5 million a year in reimbursements to the U.S. military and related agencies and Veterans Administration to finance part of the additional expenditures by them for additional fluid milk purchased over and above their normal market purchases. These CCC expenditures were part of the CCC cost of the dairy price support program.

15/ The mandatory dairy price support operations of CCC have not been subject to limitation by specific annual appropriations for such program, but only by the total funds available to CCC from its borrowing authority and other sources. On February 8, 1965, CCC temporarily suspended disbursements but resumed them on the following February 11 after Congress appropriated additional funds to restore CCC's capital.

16/ In CCC's records and monthly Report of Financial Condition and Operations, donations of dairy products before January 1, 1967, for foreign program uses, under Sec. 416 of the Agricultural Act of 1949 (as amended by Title III of P.L. 480) were treated as CCC donations and losses; donations for foreign "famine or other urgent or extraordinary relief requirements under Title II of P.L. 480 were included in CCC sales, because Sec. 103 (a) of P.L. 480 authorized appropriations to fully reimburse CCC for its costs (7 U.S.C. 1703 (a)) and in 1964 was amended to add a provision that expenditures under Title II be classified as for international affairs and finance rather than for Agriculture. Since January 1, 1967, all foreign donations of dairy products have been under Title II of P.L. 480 as revised and broadened by the Food for Peace Act of 1966 (P.L. 89-208, 80 Stat. 1534), and have been treated as CCC sales because Sec. 403 of the revised Title II of P.L. 480 (7 U.S.C. 177) authorizes appropriations to reimburse CCC."

Section 32 funds have been used to finance the cost of dairy products donated for domestic school lunch or welfare uses in nearly every year since 1949-50. These expenditures have ranged up to $123.7 million a year. They have included expenditures to buy dairy products in the market and from CCC.

In 1966-67, CCC expended $14.2 million to buy butter and cheese in the market for U.S. school lunch use, as authorized by Sec. 709 of the Food and Agriculture Act of 1965.

From 1962-63 to 1965-66, CCC issued PIK certificates, having dollar values ranging from $3.8 million to $44.7 million a year, to exporters on dairy products exported from commercial supplies. The dollar values of these certificates were based on the quantities exported and the PIK rates per pound. The negotiable certificates were used to buy commodities (mostly wheat) from CCC for export. These CCC expenditures were for foreign market development and were not under the dairy support program. However, the commercial exports under the PIK program resulted in smaller CCC price support purchases and expenditures. In the absence of the PIK program, CCC purchases and sales for export would have been correspondingly larger. CCC's net expenditures with respect to such dairy products probably would have been somewhat greater than its PIK payments because of the temporary storage costs that would have been incurred.

The total Government expenditures in the dairy price support and related programs (other than in the Special Milk Program for children) ranged from a net receipt of $50.0 million in 1950-51 to $612.0 million in 1961-62. Over the 19 fiscal years such expenditures totaled $5,420.1 million (Table 38). The yearly average was $285.3 million.

In addition, amounts increasing from $22.2 million in 1954-55 to $103.1 million in 1967-68 were expended to finance part of the cost of the Special Milk Program for children. Over the 14 fiscal years, these expenditures totaled $1,106.5 million, and averaged $79.0 million a year. This program has been financed with CCC funds, special appropriations, or transfers from Sec. 32 funds as provided by appropriation acts. Until mid-1958 the Special Milk Program was authorized by Sec. 201 of the Agricultural Act of 1949 and was considered to be part of the dairy price support program. Since then the Special Milk Program has been a separate program and expenditures under it have not been part of the price support expenditures.

During the last 19 fiscal years, CCC's losses on sales of butter, cheese, and nonfat dry milk to commercial buyers, U.S. military agencies, foreign Governments and other agencies, have totaled approximately $653 million (the sum of the amounts shown in Table 38 for net support purchases, Sec. 32, and Sec. 709, less the purchase and related costs of donations in Table 39, less the acquisition costs ($174 million) of CCC's uncommitted inventories on June 30, 1968).

During the 19 years, $4,268 million worth of butter, cheese, and nonfat dry milk, acquired under the dairy price support, Sec. 32, and Sec. 709, programs have been donated for domestic and foreign school lunch, welfare, and other uses (Table 39) - an average of $225 million worth a year. About $2,086 million worth, or an average of $109 million worth a year, have been used in domestic school lunch and welfare programs. Nearly $205 million worth of butter, cheese, and nonfat dry milk have been donated by CCC to the U.S. military and related agencies and Veterans Administration. Dairy products costing $1,977 million - $104 million a year - have been donated for foreign uses.

Table 1. - Index numbers of prices, wages, taxes, and interest paid by farmers, U.S. average prices received by farmers for milk and butterfat in farm-separated cream, and cash receipts by farmers from sales of milk and cream in the U.S., 1950-1968

Year	Index of prices, wages, taxes, and interest paid 1/	Price of all milk, wholesale, per 100 lb. 2/	Price of butterfat per lb. 2/	Cash receipts 3/
	Percent	Dol.	Cents	Mil. dol.
1950	256	3.89	62.0	3,719
1951	282	4.58	71.2	4,254
1952	287	4.85	75.0	4,567
1953	277	4.32	66.5	4,366
1954	278	3.97	58.7	4,114
1955	276	4.01	57.8	4,217
1956	278	4.14	59.4	4,485
1957	287	4.21	60.6	4,628
1958	294	4.13	59.3	4,557
1959	298	4.16	60.1	4,604
1960	300	4.21	60.5	4,760
1961	302	4.22	61.5	4,932
1962	307	4.09	59.4	4,860
1963	312	4.10	59.5	4,861
1964	313	4.15	60.2	5,027
1965	321	4.23	61.1	5,037
1966	324	4.81	67.2	5,532
1967	342	5.01	68.2	5,742
1968	354	5.25	67.2	5,962

1/ Ratios of the general levels of prices for articles and services that farmers buy, farm wages, interest, and taxes, in the years indicated to the 1910-14 average level.
2/ U.S. average price of milk (of average milkfat content), for both manufacturing and fluid uses, and U.S. average price of butterfat in farm-separated cream, delivered to plants and dealers.
3/ Includes receipts from sales of farm-churned butter in 1950.

SOURCES: Agricultural Prices, January 1969, Statistical Reporting Service (SRS) and Dairy Statistics Bulletin No. 303 and No. 430, and Dairy Situation, November 1968 and March 1969, Economic Research Service (ERS), and Milk Production, Disposition, and Income 1967-1968, SRS, USDA.

Table 2. - Numbers of milk cows and production of milk in the U.S., 1950-1968 1/

Year	Milk cows on farms, average during year 2/	Milk production per cow	Total milk production: On farms	Total milk production: Off farms 3/
	Thousand	Pounds	Billion lbs.	Billion lbs.
1950	21,944	5,314	116.6	0.7
1951	21,505	5,333	114.7	0.5
1952	21,338	5,374	114.7	0.4
1953	21,691	5,542	120.2	0.3
1954	21,581	5,657	122.1	0.2
1955	21,044	5,842	122.9	0.1
1956	20,501	6,090	124.9	-
1957	19,774	6,303	124.6	-
1958	18,711	6,585	123.2	-
1959	17,901	6,815	122.0	-
1960	17,515	7,029	123.1	-
1961	17,243	7,290	125.7	-
1962	16,842	7,496	126.2	-
1963	16,260	7,700	125.2	-
1964	15,677	8,099	127.0	-
1965	14,954	8,304	124.2	-
1966	14,093	8,507	119.9	-
1967	13,501	8,797	118.8	-
1968 4/	13,022	9,006	117.3	-

1/ Includes Alaska and Hawaii beginning 1960.
2/ Excludes heifers not yet producing.
3/ Difference between total production (including allowance for production by cows not on farms) and production on farms, in Table 311, Dairy Statistics Bulletin No. 303.
4/ Preliminary.

SOURCES: Dairy Statistics Bulletin No. 303 and No. 430, and Dairy Situation, November 1968 and March 1969, ERS, USDA.

Table 3. - Production and uses of milkfat, 1950-1968

YEAR	Whole milk: Production 1/	Whole milk: Milkfat content 2/	Milkfat: Production	Milkfat: Used on farms 3/	Milkfat: Sold 4/	Milkfat: Unaccounted for 5/
	Bil. lb.	Percent	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	117.3	3.96	4,646	722	3,885	39
1951	115.2	3.93	4,529	702	3,795	28
1952	115.1	3.90	4,492	659	3,805	28
1953	120.5	3.87	4,667	617	4,022	28
1954	122.3	3.86	4,725	584	4,122	29
1955	123.0	3.84	4,730	566	4,141	23
1956	124.9	3.82	4,773	520	4,235	18
1957	124.6	3.81	4,744	471	4,267	6
1958	123.2	3.78	4,658	422	4,230	6
1959	122.0	3.76	4,588	377	4,204	7
1960	123.1	3.76	4,628	345	4,278	5
1961	125.7	3.75	4,715	315	4,395	5
1962	126.2	3.74	4,718	287	4,431	0
1963	125.2	3.71	4,649	264	4,380	5
1964	127.0	3.70	4,699	242	4,455	2
1965	124.2	3.70	4,597	221	4,370	6
1966	119.9	3.69	4,425	200	4,219	6
1967	118.8	3.69	4,383	192	4,191 6/	0
1968	117.3	3.68	4,311	173	4,138 6/	0

1/ Includes allowances for milk produced off-farms 1950-1955.
2/ U.S. average percentage of milkfat in milk produced on farms.
3/ Computed: Milk consumed as milk and cream on (and off) farms where produced and fed to calves x average fat content of milk, plus the fat in farm butter consumed on farms computed on the basis of the milk used in farm butter, fat test of milk, and proportion of farm butter consumed on farms indicated in Table 15 in the Dairy Situation, July 1966; includes the fat in any farm butter sold during 1955-1967.
4/ In milk, cream, (and farm butter during 1950-1954) sold to plants, dealers, and direct to consumers. Milkfat in farm butter sold during 1950-1954 computed on the basis of the milk used in farm butter sold.
5/ Computed excess of production over indicated quantities used on (and off) farms where produced, and sold, apparently attributable largely to fat remaining in skim milk retained on farms and fed to livestock or discarded.
6/ Production minus quantity used on farms.

SOURCES: (except as noted): Dairy Statistics Bulletin No. 303 and No. 430, Dairy Situation, July 1966, November 1968 and March 1969, ERS, and Milk Production, Disposition and Income 1967-68, SRS, USDA.

Table 4. - Production and uses of nonfat milk solids, 1950-1968

Year	Whole milk: Production 1/	Whole milk: Nonfat solids content 2/	Nonfat milk solids: Production	Nonfat milk solids: Consumed on farms 3/	Nonfat milk solids: Sold	Nonfat milk solids: Fed to animals or discarded on farms 4/
	Bil. lb.	Percent	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	117.3	8.73	10,240	917	7,000	2,360
1951	115.2	8.72	10,044	893	6,984	2,167
1952	115.1	8.70	10,011	838	7,178	1,995
1953	120.5	8.69	10,473	800	7,769	1,904
1954	122.3	8.69	10,627	754	8,028	1,845
1955	123.0	8.68	10,672	713	8,253	1,706
1956	124.9	8.67	10,825	667	8,608	1,550
1957	124.6	8.66	10,793	606	8,811	1,376
1958	123.2	8.65	10,659	533	8,893	1,213
1959	122.0	8.64	10,540	499	8,967	1,074
1960	123.1	8.64	10,637	456	9,228	953
1961	125.7	8.63	10,861	416	9,599	845
1962	126.2	8.63	10,895	381	9,773	741
1963	125.2	8.62	10,792	351	9,792	649
1964	127.0	8.62	10,945	323	10,041	581
1965	124.2	8.62	10,704	297	9,905	502
1966	119.9	8.61	10,323	271	9,619	438
1967	118.8	8.61	10,230 5/	250	9,600 5/	380
1968	117.3	8.61	10,100 5/	225	9,560 5/	325

1/ Includes allowances for milk produced off farms 1950-1955.
2/ U.S. average percentage of nonfat solids in milk produced, calculated from the fat test by the formula: Nonfat solids equal 7.01 plus .434 percent of the milkfat test. (Formula from "Estimating the Solids-Non-Fat Content of Milk," Marketing Research Report No. 65, AMS, USDA, 1954).
3/ Computed: Milk equivalent of milk and cream consumed on (and off) farms where produced x average nonfat solids test of milk.
4/ Computed: Total production less quantities consumed on (and off) farms where produced, and sold, by farmers.
5/ Unpublished estimates.

SOURCES: (Except as noted): Dairy Statistics Bulletin No. 303 and No. 430, and Dairy Situation, November 1968 and March 1969, ERS, USDA.

Table 5. - Milk used on and off farms where produced and milk sold by farmers, 1950-1968

Year	Used on farms				Sold by farmers			
	Fed to calves	Consumed as milk and cream 1/	Consumed as farm butter 2/	Total 3/	As whole milk 4/	As cream 5/	As farm butter 2/	Total
	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.
1950	3.3	10.5	4.5	18.3	78.1	20.2	.7	99.0
1951	3.4	10.2	4.2	17.8	78.2	18.5	.6	97.3
1952	3.3	9.8	3.7	16.8	80.8	16.9	.5	98.2
1953	3.3	9.2	3.4	15.9	87.8	16.3	.5	104.6
1954	3.3	8.7	3.1	15.1	90.8	15.9	.4	107.1
1955	3.3	8.1	3.2	14.6	93.6	14.7	-	108.3
1956	3.1	7.7	2.8	13.6	98.0	13.3	-	111.2
1957	3.0	7.0	2.4	12.4	100.6	11.7	-	112.2
1958	2.8	6.4	2.0	11.1	101.8	10.3	-	112.1
1959	2.7	5.8	1.6	10.0	102.9	9.1	-	112.0
1960	2.5	5.3	1.3	9.1	106.0	7.9	-	114.0
1961	2.4	4.8	1.1	8.4	110.4	6.9	-	117.3
1962	2.3	4.4	.9	7.7	112.6	5.9	-	118.6
1963	2.2	4.1	.7	7.1	113.1	5.1	-	118.1
1964	2.2	3.7	.6	6.5	116.0	4.4	-	120.5
1965	2.1	3.4	.5	6.0	114.5	3.7	-	118.2
1966	2.0	3.1	.4	5.5	111.4	3.0	-	114.4
1967	1.9	2.9	.3	5.2	111.7	2.4	-	113.6
1968	1.8	2.7	.2	4.7	110.6	2.0	-	112.6

1/ Includes an allowance for off-farm production 1950-1954.
2/ For 1950 to 1954, computed as the same percentages of milk used in making farm-churned butter as the percentages of farm butter consumed on farms and sold based on Table 15 in the Dairy Situation, July 1966, ERS, USDA; for 1955-1968, total used in making farm butter (includes any farm butter sold).
3/ May not add due to rounding.
4/ Includes milk equivalent of milk and cream sold directly to consumers.
5/ Milk separated for sale of cream to plants and dealers.
SOURCES (except as noted): Dairy Statistics Bul. No. 303, ERS, and Milk Production, Disposition, and Income, April 1969, SRS, USDA.

Table 6. - Total population, employment, and per capita disposable consumer income, 1950-1968

Year	Total population July 1	Total civilian employment	Per capita disposable income 1/
	Mil.	Mil.	Dol.
1950	151.7	58.9	1,628
1951	154.3	50.0	1,622
1952	157.0	60.3	1,641
1953	159.6	60.2	1,697
1954	162.4	60.1	1,693
1955	165.3	62.2	1,786
1956	168.2	63.8	1,841
1957	171.3	64.1	1,838
1958	174.1	63.0	1,818
1959	177.1	64.6	1,877
1960	180.7	65.8	1,879
1961	183.8	65.7	1,903
1962	186.7	66.7	1,958
1963	189.4	67.8	2,002
1964	192.1	69.3	2,109
1965	194.6	71.1	2,213
1966	196.9	72.9	2,297
1967	199.1	74.4	2,359
1968	201.2	75.9	2,382
	Percent Increases		
1950 to 1968	33	29	46

1/ Deflated by dividing the actual disposal income (which increased from $1,364 in 1950 to $2,928 in 1968) by the Bureau of Labor Statistics consumer price index (which increased from 83.8 in 1950 to 121.2 in 1968 (1957-59 = 100)).

SOURCES: Dairy Situation, November 1968, and Marketing and Transportation Situation, February 1969, ERS, USDA.

Table 7. - Total and per capita consumption (disappearance) of milk and its products on farms where produced and in the commercial market, whole milk equivalent (fat solids basis), milkfat content, and nonfat solids content, 1950-1968 1/

Year	Milk equivalent		Milkfat		Nonfat solids	
	Total	Per capita	Total	Per capita	Total	Per capita
	Bil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.
1950	109.2	727	4,336	28.9	6,460	43.0
1951	106.7	707	4,209	27.9	6,490	43.0
1952	106.1	692	4,143	27.0	6,671	42.2
1953	105.3	675	4,085	26.2	6,697	42.9
1954	107.6	676	4,165	26.2	6,826	42.9
1955	110.1	678	4,235	26.1	6,994	43.1
1956	111.1	672	4,252	25.7	7,107	43.0
1957	111.5	662	4,245	25.2	7,172	42.6
1958	110.7	646	4,190	24.4	7,143	41.7
1959	111.3	638	4,189	24.0	7,289	41.8
1960	111.9	628	4,215	23.6	7,412	41.8
1961	110.1	609	4,131	22.8	7,398	41.0
1962	110.2	599	4,117	22.4	7,450	40.7
1963	110.0	590	4,090	21.9	7,449	40.1
1964	111.3	588	4,120	21.8	7,601	40.3
1965	111.9	583	4,140	21.6	7,696	40.3
1966	112.2	579	4,140	21.4	7,766	40.3
1967	106.9	547	3,949	20.2	7,698	39.5
1968 3/	105.9	536	3,900	19.7	7,613	38.5

1/ Excludes Government-financed consumption in the school lunch and special milk programs, CCC donated products, and Armed Forces consumption.
2/ Computed by dividing total consumption by the July 1 population eating from civilian supplies (48 States 1950-1959 and 50 States 1960-1968).
3/ Preliminary.

SOURCES (except as noted): Dairy Situation, November 1965, November 1968, and March 1969, ERS, USDA.

Table 8. - Consumption of milk and cream on (and off) farms where produced and sales of fluid milk products in the commercial market, 1950-1968

Year	Milk and cream on farms where produced 1/	Commercial market sales 2/				Total consumed on farms plus sales	
		Whole Milk (product weight)	Low fat milk 3/ (product weight)	Cream 4/ (product weight)	Total (milk equivalent)	Total consumption 5/	Per Capita 6/
	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.	lb.
1950	10.5	36.7	2.1	1.5	42.5	53.0	349
1951	10.2	37.9	2.4	1.5	43.7	53.9	349
1952	9.8	39.2	2.6	1.5	44.7	54.5	347
1953	9.2	39.9	2.8	1.5	45.4	54.6	343
1954	8.7	41.3	2.9	1.4	46.8	55.5	342
1955	8.1	42.3	3.0	1.5	47.8	55.9	338
1956	7.7	43.5	3.2	1.5	49.0	56.7	337
1957	7.0	44.4	3.3	1.5	49.9	56.9	332
1958	6.4	44.5	3.5	1.5	50.0	56.4	324
1959	5.8	44.6	3.7	1.5	50.1	55.9	316
1960	5.3	44.9	4.1	1.6	50.5	55.8	309
1961	4.8	44.4	4.5	1.5	50.0	54.8	298
1962	4.4	44.9	4.8	1.5	50.5	54.9	294
1963	4.1	45.7	5.2	1.5	51.4	55.5	293
1964	3.7	46.1	5.9	1.4	51.9	55.6	289
1965	3.4	46.5	6.4	1.4	52.2	55.6	286
1966	3.1	46.3	7.2	1.4	52.0	55.1	280
1967	2.9	44.9	8.2	1.3	50.9	53.8	270
1968 7/	2.6	40.0	9.4	1.3	50.1	52.7	262

1/ Includes an allowance for off-farm production, 1950-54.
2/ Includes consumption by Armed Forces stationed in the United States, but excludes consumption in the school lunch and special milk programs.
3/ Includes skim milk, buttermilk, and flavored drinks.
4/ Includes milk and cream mixtures.
5/ Sum of Columns 1 and 5.
6/ Computed: Total consumption divided by total population July 1.
7/ Preliminary.

SOURCES:(except as noted): Based on data in Dairy Statistics Bul. No. 303 and No. 430, and Dairy Situation, November 1968, ERS, USDA.

Table 9. - Consumption of farm-churned butter, and sales of creamery butter, all whole and part skim milk cheese, canned evaporated milk, ice cream, and ice milk, in the commercial market (domestic disappearance, commercial sources), 1950-1968

Year	Butter			Cheese	Evaporated milk	Ice cream	Ice milk
	Farm	Creamery	Total				
	Mil. lb.	Mil. lb.	Mil.lb.	Mil. lb.	Mil. lb.	Mil.gal.	Mil.gal.
1950	262	1,371	1,633	1,142	2,794	554	37
1951	240	1,288	1,528	1,102	2,602	569	46
1952	214	1,167	1,381	1,179	2,562	593	54
1953	195	1,147	1,342	1,162	2,510	605	65
1954	179	1,222	1,401	1,216	2,430	597	80
1955	162	1,232	1,394	1,207	2,383	629	90
1956	140	1,234	1,374	1,233	2,322	641	103
1957	119	1,257	1,376	1,211	2,260	651	111
1958	96	1,222	1,318	1,269	2,162	658	117
1959	76	1,210	1,286	1,371	2,110	699	134
1960	63	1,223	1,286	1,470	2,043	700	145
1961	52	1,165	1,217	1,531	1,980	699	164
1962	42	1,174	1,216	1,544	1,904	704	188
1963	34	1,116	1,150	1,599	1,796	718	203
1964	27	1,136	1,163	1,662	1,743	739	218
1965	21	1,122	1,143	1,759	1,669	757	231
1966	16	1,064	1,080	1,902	1,555	751	240
1967	13	974	987	1,904	1,401	745	247
1968	10 1/	984 1/	994	2,004	1,260	780	255

1/ Unpublished estimates.

SOURCES (excepted as noted): Dairy Statistics Bulletin No. 303 and No. 430, and Dairy Situation, November 1968, and March 1969, ERS, USDA.

Table 10. - Per capita consumption of farm and creamery butter, and sales of whole and part skim milk cheese, canned evaporated milk, ice cream and ice milk (domestic disappearance, commercial sources), 1950-1968 1/

Year	Butter 2/	Cheese	Evaporated milk	Ice cream	Ice milk
	Lb.	Lb.	Lb.	Gal.	Gal.
1950	10.8	7.6	18.5	3.7	.2
1951	9.9	7.2	17.0	3.7	.3
1952	8.8	7.6	16.5	3.8	.3
1953	8.4	7.4	15.9	3.8	.4
1954	8.6	7.6	15.1	3.7	.5
1955	8.4	7.3	14.5	3.8	.5
1956	8.2	7.4	13.9	3.8	.6
1957	8.0	7.1	13.3	3.8	.7
1958	7.6	7.3	12.5	3.8	.7
1959	7.3	7.8	12.0	4.0	.8
1960	7.1	8.2	11.4	3.9	.8
1961	6.6	8.4	10.8	3.8	.9
1962	6.5	8.4	10.2	3.8	1.0
1963	6.1	8.5	9.5	3.8	1.1
1964	6.1	8.6	9.1	3.9	1.1
1965	5.9	9.1	8.6	3.9	1.2
1966	5.5	9.8	7.9	3.8	1.2
1967	5.0	9.6	7.1	3.8	1.2
1968 3/	4.9	10.0	6.3	3.9	1.3

1/ Excludes donations from CCC supplies.
2/ Computed by dividing farm-churned butter produced and creamery butter sold (Table 9) by total July 1 population.
3/ Preliminary

SOURCES (except as noted): Dairy Statistics Bulletin No. 430, and Dairy Situation, November 1968 and March 1969, ERS, USDA.

Table 11. - Nonfat dry milk production (spray and roller) and domestic commercial consumption (domestic disappearance, commercial sources) and consumption (production) of full skim milk cheese and cottage cheese, 1950-1968

Year	Nonfat dry milk production	Nonfat dry milk consumption 1/			Skim and cottage cheese consumption 3/	
		Total	Per Capita	Percent of Production 2/	Total	Per Capita
	Mil. lb.	Mil. lb.	Lb.	Percent	Mil. lb.	Lb.
1950	881	525	3.5	60	462	3.1
1951	702	632	4.1	90	507	3.3
1952	863	702	4.5	81	529	3.4
1953	1,214	646	4.1	53	570	3.6
1954	1,334	672	4.2	50	612	3.8
1955	1,366	809	4.9	59	640	3.9
1956	1,490	777	4.6	52	744	4.4
1957	1,624	801	4.7	49	774	4.5
1958	1,710	821	4.7	48	789	4.6
1959	1,723	944	5.4	55	826	4.7
1960	1,819	1,000	5.6	55	858	4.8
1961	2,020	963	5.3	48	841	4.6
1962	2,230	944	5.1	42	853	4.6
1963	2,106	924	4.9	44	868	4.6
1964	2,177	969	5.1	45	897	4.7
1965	1,989	931	4.8	47	901	4.6
1966	1,580	1,024	5.2	65	894	4.6
1967	1,675	982	5.0	59	896	4.5
1968 4/	1,610	1,030	5.1	64	900	4.5

1/ Excludes donations from CCC supplies.
2/ Computed.
3/ Includes creamed and partially-creamed cottage cheese produced and estimated uncreamed cottage cheese consumed.
4/ Preliminary.

SOURCES (except as noted): Manufactured Dairy Products Production, various issues, SRS, and Dairy Situation, November 1968 and March 1969, ERS, USDA.

Table 12. - U.S. imports of dairy products (milk equivalent, fat solids basis), compared with total domestic milk production, 1950-1968

Year	Imports	Imports as percent of production
	Mil. lb.	Percent
1950	459	0.4
1951	525	0.5
1952	709	0.6
1953	525	0.4
1954	441	0.4
1955	458	0.4
1956	514	0.4
1957	661	0.4
1958	507	0.4
1959	578	0.5
1960	604	0.5
1961	760	0.6
1962	795	0.6
1963	915	0.7
1964	830	0.7
1965	918	0.7
1966	2,775	2.3
1967	2,908	2.4
1968	1,780	1.5

SOURCES (except percentages which are computed): Dairy Statistics Bulletin No. 430 and Dairy Situation May 1968 and March 1969, ERS, USDA.

Table 13. - Computations of parity equivalent prices per 100 pounds of manufacturing milk, as of January 1949, and as of March of each subsequent year (to which support prices were related)

Marketing year beginning April 1, (except as noted)	Historical price relationships 1/			Parity for all milk, wholesale 2/			Parity equivalent price of manufacturing milk 7/
	All milk wholesale	Manufacturing milk3/	Ratio	Parity index 4/	Adjusted base price 5/	Parity price 6/	
	Dol.	Dol.	Pct.	Pct.	Dol.	Dol.	Dol.
1949	4.63	4.10	88.5	2.48	1.60	3.97	3.51
1950	4.63	4.10	88.5	2.50	1.73	4.32	3.82
1951	4.63	4.10	88.5	2.80	1.70	4.76	4.21
1952	4.63	4.10	88.5	2.88	1.68	4.84	4.28
1953	4.63	4.10	88.5	2.81	1.68	4.72	4.18
1954	4.63	4.10	88.5	2.83	1.68	4.75	4.20
1955	4.41	3.69	83.7	2.84	1.66	4.71	3.94
1956	4.37	3.64	83.3	2.82	1.64	4.62	3.85
1957	4.33	3.56	82.2	2.95	1.63	4.81	3.95
1958	4.32	3.51	81.2	3.04	1.65	5.02	4.08
1959	4.25	3.41	80.2	2.98	1.66	4.95	3.97
1960	4.25	3.41	80.0	3.00	1.67	5.01	4.01
1961	4.29	3.42	79.7	3.02	1.70	5.13	4.09
1962	4.25	3.36	79.1	3.05	1.72	5.25	4.15
1963	4.17	3.27	78.4	3.10	1.72	5.35	4.19
1964	4.15	3.24	78.1	3.13	1.72	5.38	4.20
1965	4.17	3.25	77.9	3.18	1.74	5.53	4.31
1966	4.19	3.27	78.0	3.31	1.73	5.73	4.47
1967	4.25	3.34	78.6	3.40	1.73	5.88	4.62
1968	4.33	3.42	79.0	3.50	1.73	6.06	4.79
1969	4.44	3.52	79.3	3.69	1.76	6.49	5.15

1/ The ratio used in computing monthly parity equivalent prices through March 1954 was the percentage which the average price of manufacturing milk was of the average price of all milk during the 30-months July 1946-December 1948; the ratio used from April to December 1954 was the July 1946-December 1953 average; during calendar 1955, the July 1946-December 1954 average; during calendar 1956, the July 1946-December 1955 average; and thereafter, the latest 10 calendar years moving average ratio.

2/ As of January 1949 (published in Agricultural Prices, February 28, 1949, by USDA): as of March of subsequent years.

3/ The "3-product" prices (for milk bought for producing American cheese, evaporated milk, and butter-nonfat dry milk) through November 1962; prices of manufacturing grade milk thereafter.

4/ The general level of prices, interest. and taxes paid by farmers in January 1949 as a percent of the 1910-14 lever (published in Agricultural Prices February 28, 1949); the level of prices, interest, taxes, and farm wages paid in March of each subsequent year as a percent of the 1910-14 level.

5/ For 1949, the August 1909-July 1914 average base price; for each subsequent year, the "adjusted base price" computed by dividing (1) the average price of all milk, wholesale, during the preceding 10 calendar years by (2) the general level of prices received by farmers for agricultural commodities as a percent of the 1910-14 average level.

6/ Parity index x base price.

7/ Parity price of all milk x ratio of manufacturing milk to all milk prices.

SOURCES: Agricultural Prices, monthly issues, and supplements, January issues, SRS and predecessor agencies, USDA.

Table 14. - Price support levels and actual U.S. average prices of manufacturing milk and butterfat in farm-separated cream, 1949 to 1969-70

Marketing year beginning April 1 (except as noted)	Manufacturing milk: Support level: Percent of parity equivalent 1/	Manufacturing milk: Support level: Price per 100 pounds	Manufacturing milk: Actual price per 100 pounds 2/	Butterfat: Support level: Percent of parity 1/	Butterfat: Support level: Price per pound	Butterfat: Actual price per pound
	Percent	Dollars	Dollars	Percent	Cents	Cents
1949 3/	90 4/	3.14 5/	3.14	90 4/	58.5	62.1
1950-51 6/	80	3.07	3.35	87	60.0	64.0
1951-52	86	3.60	3.97	89	67.6	74.1
1952-53	90	3.85	4.00	90	69.2	71.6
1953-54	89	3.74	3.46	90	67.3	65.7
1954-55	75	3.15	3.15	75	56.2	57.3
1955-56	80	3.15	3.19	76	56.2	57.7
1956-57						
Apr. 1-17	82	3.15		78	56.2	
Apr.18-Mar.31	84	3.25	3.31 7/	81	58.6	60.0 7/
1957-58	82	3.25	3.28	79	58.6	60.3
1958-59	75	3.06	3.16	75	56.6	59.1
1959-60	77	3.06	3.22	77	56.6	60.7
1960-61						
Apr.1-Sept.16	76	3.06		76	56.6	
Sept.17-Mar.9	80	3.22		80	59.6	
Mar. 10-31	85	3.40	3.30 7/	82	60.4	61.1 7/
1961-62	83	3.40	3.38	81	60.4	61.7
1962-63	75	3.11	3.19	75	57.2	59.1
1963-64	75	3.14	3.24	75	58.1	59.6
1964-65	75	3.15	3.29	75	58.0	60.4
1965-66	75	3.24	3.45	75	59.4	62.1
1966-67						
Apr.1-June 29	78	3.50		75	61.6	
June 30-Mar.31	89	4.00	4.11 7/	83	68.0	68.6 7/
1967-68	87	4.00	4.06	81	68.0	67.7
1968-69	89	4.28	4.29	77	66.0 8/	67.2
1969-70	83	4.28		75	68.6	

1/ Except as noted, these are the percentages of the parity equivalent or parity prices published near the end of March just before the beginning of the marketing year. In some cases the announced percentages, based on forward estimates of parity, were slightly different. 2/ For 1949 through 1961-62, the U.S. average prices paid for milk ("three product series") for use in manufacturing American cheese, butter and nonfat dry milk, and evaporated milk; beginning in 1962-63, the U.S. average prices of manufacturing grade milk. 3/ Calendar year. 4/ As of January 1949, based on parity equivalent and parity prices published in Agricultural Prices, February 28, 1949. 5/ The press release (USDA 775-49) stated that the purchases of butter and nonfat dry milk, with seasonal purchase price differentials, were expected to maintain the average prices of manufacturing milk equivalent to $3.07 during the spring and summer months of heavy production and $3.22 during the fall and early winter months of light production, for 3.95 percent milk. 6/ January 1, 1950-March 31, 1951 (15-month transition from calendar to April-March marketing year program). The support prices were 81 percent of the parity equivalent price for milk as of January and 80 percent as of March, and 87 percent of the parity prices of butterfat as of both months. Actual prices are 15-month averages. 7/ Marketing year average. 8/ The press release announcing the 1968-69 support level stated that CCC purchases of butter were expected to support the price of butterfat at approximately 66 cents a pound which was the 1967 average of the prices that had been published. However, upward revisions by 1.9 cents a pound were published in Supplement No. 2 to Agricultural Prices in September 1968.

Table 15. - CCC purchase prices of bulk butter of U.S. Grade A or higher at specified locations, 1949 to 1969-70 1/

Marketing year beginning April 1: (except as noted)	Chicago	New York	San Francisco and Seattle	California	Connecticut Massachusetts New Hampshire Rhode Island Maine Vermont	Arizona Louisiana New Mexico Texas	Alabama Florida Mississippi South Carolina
	Cents per pound						
1949 cal. year							
Feb. 8 - July 26	59.0 at all locations in the United States						
July 27- Dec. 31	62.0 " " " " " " "						
1950-51 2/	60.0 " " " " " " "						
1951-52	66.0 " " " " " " "						
1952-53	67.75" " " " " " "						
1953-54	65.75	66.5	66.75	(For other locations, see 1/)			
1954-55	57.5	58.25	57.5	" " " " "			
1955-56	57.5	58.25	57.5	" " " " "			
1956-57							
April 1-17	57.5	58.25	57.5	" " " " "			
Apr. 18-Mar. 31	59.5	60.25	59.5	" " " " "			
1957-58	59.5	60.5	59.75	59.75	60.5	59.25	59.5
1958-59	57.75	58.75	58.00	58.00	58.75	57.75	57.75
1959-60	57.974	58.75	58.00	58.00	58.75	57.75	57.75
1960-61							
Apr. 1-Sept. 16	57.854	3/58.75	58.00	58.00	58.75	57.75	57.75
Sept. 17-Mar. 31	60.474	4/61.25	60.50	60.50	61.25	60.25	60.25
1961-62	60.466	61.25	60.50	60.50	61.25	60.25	60.25
1962-63	57.966	58.75	58.00	58.00	58.75	57.75	57.75
1963-64	57.966	58.75	58.00	58.00	58.75	57.75	57.75
1964-65	57.966	58.75	58.00	58.00	58.75	57.75	57.75
1965-66	58.966	59.75	59.00	59.00	5/	58.75	58.75
1966-67							
Apr. 1-June 29	60.966	61.75	61.00	61.00	5/	60.75	60.75
June 30-Mar. 31	66.466	67.25	66.50	66.50	5/	66.25	66.25
1967-68	66.466	6/67.25	66.50	66.50	5/	66.25	66.25
1968-69	66.442	7/67.25	66.50	66.50	5/	66.25	66.25
1969-70 8/	67.644	68.50	67.75	67.75	5/	67.50	67.50

1/ Indicated prices are announced prices, except that Chicago prices since April 1, 1959, have been the New York prices less 80 percent of the lowest rail freight rate from Chicago to New York. The indicated prices applied at all locations in the U.S. through March 1953. Since then, the purchase price at any location other than those specified has been the price at the designated market (New York, San Francisco, Seattle, and through March 1959, Chicago) named by the seller less 80 percent of the lowest rail freight rate from the location of the butter to such designated market. Generally when purchase prices have been increased, the higher prices have applied to products produced on and after the effective date with preceding purchase prices continuing to apply to any products produced before that date. CCC purchase prices for U.S. Grade B butter have been 2 cents a pound below its prices for U.S. Grade A butter since the start of the support program on February 8, 1949. 2/ January 1950-March 1951.
3/ Price in effect April 1-May 19; the price in effect May 20-September 16 was 59.974 cents due to a change in freight rate. 4/ Price in effect September 17-October 23; the price in effect October 24-March 31 was 60.466 due to a change in freight rate.
5/ Price at designated market (New York) less 80 percent of lowest rail freight rate from location of butter to designated market. 6/ Effective April 1-August 18; price effective August 19-March 31 was 66.442, due to a change in freight rate.
7/ Effective April 1-June 23; price was 66.418 cents from June 24 to November 27 and 66.394 cents from November 28 to March 31 due to changes in freight rate from Chicago to New York. 8/ Revised purchase prices announced April 2, 1969.

Table 16. - CCC announced purchase prices of natural Cheddar cheese, nonfat dry milk, and evaporated milk, April 18, 1949, to 1969-70 1/

Marketing year beginning April 1 (except as noted)	Cheddar cheese per lb. 2/	Nonfat dry milk per lb. 3/		Evaporated milk per case
		Spray	Roller	
	Cents	Cents	Cents	Dollars
1949 cal. yr.				
Apr.18-July 26		12.25	11.0	
July 27-Aug. 30	31.75	12.25	11.0	
Sept. 1-Dec. 31	31.75	12.75	11.5	
1950-51 4/	31.0	12.50	10.5	3.95
1951-52	36.0	15.0	13.0	
1952-53	38.25	17.0	15.0	
1953-54	37.0	16.0	14.0	
1954-55				
Apr. 1-July 11	32.25	15.0	13.25	
July 12-Mar. 31	33.25	16.0	14.25	
1955-56	33.25	16.0	14.25	
1956-57				
Apr. 1-17	34.0	16.0	14.25	
Apr. 18-Mar. 31	35.0	16.0	14.25	
1957-58	35.0	16.0	14.0	
1958-59	32.75	14.25	12.25	
1959-60	32.75	14.25	12.25	
1960-61				
Apr. 1-Sept. 16	32.75	13.4	11.4	
Sept. 17-Mar. 9	34.25	13.9	11.9	
Mar. 10-31	36.1	15.9	13.9	
1961-62				
Apr. 1-July 17	36.1	15.9	13.9	
July 18-Mar. 31	36.5	15.9	13.9	
1962-63	34.6	14.4	-	
1963-64	35.6	14.4	-	
1964-65	35.6	14.4	-	
1965-66	36.1	14.6	-	
1966-67				
Apr. 1-June 29	39.3	16.6	-	
June 30-Mar. 31	43.75	19.6	-	
1967-68	43.75	19.6 6/	-	
1968-69	47.0	23.1 6/	-	
1969-70	48.0	23.1 6/	-	

1/ Generally, the increased prices applied to products produced on and after the effective dates, with preceding prices applying to products produced before such dates. 2/ U.S. Grade A or higher, standard moisture basis, subject to upward adjustment for lower moisture content in accordance with the moisture adjustment cheese price chart in general use in the cheese industry. 3/U.S. Extra grade (and not more than 3.5 percent moisture content since April 1, 1952). Indicated prices were for nonfat dry milk in wooden barrels and fiber drums through 1961-62; prices in 100-pound multiwall bags were .85 of a cent less from 1957-58 to 1959-60, but the same in barrels, drums and 100-pound bags thereafter. Beginning April 1, 1963, indicated prices were for product in bags with sealed closures (tape over stitching). Prices were .2 of a cent lower for product in unsealed bags from April 1, 1963 to December 31, 1965 when purchases in unsealed bags were discontinued. 4/ January 1, 1950-March 31, 1951. 5/ For evaporated milk meeting CCC specifications. 6/ Purchase prices .25 of a cent a pound higher for product in 50-pound bags with sealed closures also were announced for the periods September 29, 1967 to March 31, 1968 and for 1969-70.

Table 17. - Calculation of CCC support buying prices of dairy products for the 1968-69 marketing year

Item	Dollars
Butter price calculation	
Support price for butterfat in farm separated cream:	
Per pound	0.66
Per .82 pound (.82 x 0.66) 1/	0.541
Spread between $0.541 and Chicago wholesale price per pound of Grade A butter	0.124 2/
Butter price per pound ($0.541 + $0.124)	0.665 3/
Nonfat dry milk price calculation	
Support price for manufacturing milk per 100 pounds 4/	4.28
Spread between price of manufacturing milk and the market value of 4.51 pounds of butter and 8.14 pounds of nonfat dry milk 5/	0.60 6/
Value of 4.51 pounds of butter and 8.14 pounds of nonfat dry milk (4.28 + 0.60)	4.88
Value of 4.51 pounds of butter at 0.665 per pound (CCC's approximate buying price at Chicago)	3.00
Value of nonfat dry milk:	
Per 8.14 pounds (4.88 - 3.00)	1.88
Per pound (1.88 ÷ 8.14)	0.231
Cheese price calculation	
Support price for manufacturing milk per 100 pounds 4/	4.28
Spread between price of manufacturing milk and the market value of 10.1 pounds of cheese and .25 pound of whey fat 7/	0.63 6/
Value of 10.1 pounds of cheese and .25 pound of whey fat (4.28 + 0.63)	4.91
Value of .25 pound of whey fat at 0.66 per pound	0.17
Value of cheese:	
Per 10.1 pounds (4.91 - $0.17)	4.74
Per pound (4.74 ÷ 10.1)	0.74

1/ It takes about .82 of a pound of milkfat purchased from farmers to make a pound of butter required by Federal and State laws to contain not less than 80 percent milkfat.

2/ This spread was the 1967 average based on the prices of butterfat that had been published before the announcement of the 1968-69 support program. The upward revision by 1.9 cents a pound in the 1967 average butterfat price, published in Supplement No. 2 to Agricultural Prices in September 1968, reduced the 1967 spread.

Continued on page 56

3/ Approximate CCC buying price for bulk (60 to 68 pounds blocks) butter of U.S. Grade A or higher at Chicago. CCC's actual price is slightly lower, based on CCC's price at New York City less 80 percent of the lowest rail freight rate on 60,000-pound carlots from Chicago to New York.

4/ U.S. average support price for manufacturing grade milk of average (approximately 3.7 percent) milkfat test.

5/ Value based on Chicago price of butter and U.S. average manufacturers' selling price of spray nonfat milk. Yields assume 100 pounds of 3.7 percent milk makes 4.51 pounds of butter (3.7 ÷ .82), and 8.14 pounds nonfat dry milk (91 percent as much as 100 pounds of skim milk derived from separating 3.7 percent whole milk into skim milk and 40 percent cream, calculated from Table 6 in Marketing Research Report No. 126, June 1965, AMS, USDA).

6/ The spread of $0.60 used in the nonfat dry milk calculation compares with the 1967 spread of $0.56, whereas the spread of $0.63 used in the cheese calculation compares with the 1967 spread of 0.67 cents. This took into account that the market price of cheese averaged nearly 1.5 cents above CCC's buying price in 1967, while the market price of butter averaged only .2 of a cent above CCC's buying price. Even so, the increase of 3.25 cents in CCC's buying price for cheese on April 1, 1968, was equivalent to 33 cents a 100 pounds of milk (3.25 x 10.1), while the increase CCC's buying price of 3.5 cents for nonfat dry milk was equivalent to 28 cents a 100 pounds of milk (3.5 x 8.14).

7/ Value of cheese based on average price of 40-pound blocks of State Brand (equal to U.S. Grade A) cheese at Wisconsin assembling points. Yield assumes that 100 pounds of 3.7 percent milk makes 10.1 pounds of standard (not more than 39 percent) moisture cheese, calculated by formulas on pages 43, 65, and 66, in Cheese by Van Slyke and Price (1949 edition), for computing the casein in milk as equal to .4 of the fat plus .9 and the yield of cheese as N times the sum of the fat and casein in the milk, assuming the cheese averages 38.5 percent moisture for which N is interpolated to be 1.6675. The calculations are: Casein equals .4 (3.7) + .9 or 2.38 pound; cheese yield is 1.6675 (3.7 + 2.38) or 10.1 pounds.

Table 18. - Total market values of Cheddar cheese and whey fat compared with the values of butter and nonfat dry milk which could be produced from 100 pounds of manufacturing milk of average milkfat test 1/

Year	Butter and nonfat dry milk 2/	Cheese and whey fat: Value 3/	Cheese and whey fat: Amount below or above butter and nonfat dry milk
	Dollars	Dollars	Dollars
1950	4.01	3.61	- .40
1951	4.56	4.38	- .18
1952	4.84	4.50	- .34
1953	4.41	4.11	- .30
1954	4.08	3.74	- .34
1955	3.99	3.62	- .37
1956	4.06	3.75	- .31
1957	4.06	3.80	- .26
1958	3.88	3.65	- .23
1959	3.87	3.57	- .30
1960	3.84	3.90	+ .06
1961	4.06	3.98	- .08
1962	3.91	3.88	- .03
1963	3.83	3.92	+ .09
1964	3.86	4.01	+ .15
1965	3.91	4.07	+ .15
1966	4.48	4.82	+ .34
1967	4.63	4.74	+ .11
1968	4.83	4.98	+ .15

1/ Assuming U.S. average milkfat test of milk bought for use in producing American cheese, evaporated milk, and butter and nonfat dry milk 1950 to 1952, and of all manufacturing grade milk 1953 to 1968.

2/ Based on the Chicago wholesale prices of Grade A butter and yields of butter computed by dividing the milkfat content of manufacturing milk by .82, and the U.S. average manufacturers' selling price for spray nonfat dry milk and yields of nonfat dry milk computed as 91% of the yields per 100 pounds of skim milk derived by separating manufacturing milk into skim milk and 40% cream, calculated from Table 6 in Marketing Research Report No. 126, June 1956, AMS, USDA.

3/ Based on the average price of State Brand (equal to U.S. Grade A) Cheddar cheese (Cheddars from 1950 to 1962 and 40-pound blocks from 1963 to 1967) at Wisconsin assembling points and yields of cheese calculated by formulas on pages 43, 65, and 66, in Cheese by Van Slyke and Price (1949 edition), for computing the casein in milk as equal to .4% of the fat plus .9 and the yield of cheese as 1.6675 times the sum of the fat and casein in the milk, assuming the cheese averaged 38.5% moisture, and the value of approximately .25 of a pound of milkfat, in the whey derived from 100 pounds of milk used in making cheese at the U.S. average price of butterfat in farm-separated cream.

Table 19. - Dairy product purchases, by program years, contract and delivery bases, 1949 to 1968-69 1/

Marketing year beginning April 1 (except as noted)	Butter		Cheddar cheese		Nonfat Dry Milk	
	Contracts	Deliveries 2/	Contracts	Deliveries 2/	Contracts	Deliveries 2/
	Million pounds					
1949 Cal yr.	114.3	114.3	25.5	25.5	331.9	325.5
1950-51 3/	127.9	127.9	108.9	108.9	352.7	359.1
1951-52	.2	.2	.8	.8	71.9	71.9
1952-53	143.3	143.3	75.3	75.3	217.6	217.6
1953-54	375.0	375.0	386.8	386.8	682.0	680.1
1954-55 4/	210.5	210.5	153.4	153.4	535.8	526.4
1955-56	177.6	177.6	157.4	157.4	623.7	604.2
1956-57	154.4	154.4	197.2	197.2	798.5	736.1
1957-58	215.1	215.1	248.3	248.3	829.3	907.4
1958-59	150.2	150.2	34.7	34.7	941.3	825.8
1959-60	135.2	135.2	50.3	50.3	748.3	856.8
1960-61	154.4	154.4	.2	.2	1,103.5	837.3
1961-62	434.9	434.9	191.2	191.2	1,026.9	1,275.4
1962-63	347.1	347.1	136.9	136.9	1,347.7	1,278.8
1963-64	318.9	291.2	121.8	121.8	953.8	922.8
1964-65	209.2	237.0	145.1	134.6	727.0	760.3
1965-66	149.8	149.8	10.7	21.2	589.2	695.6
1966-67	123.7	107.7	65.7	39.9	586.3	420.4
1967-68	247.1	246.6	149.6	175.4	633.7	633.6
1968-69	181.0	186.4	86.4	69.0	445.4	555.9

1/ Includes purchases under the dairy price support program, Sec. 32 (P.L. 320), and Sec. 709 of the Food and Agriculture Act of 1965.
2/ Purchase contracts at announced prices for immediate delivery to CCC plus scheduled deliveries in the periods indicated under purchase contracts at bid prices for future delivery. The annual data for cheese before 1964-65 and for butter before 1963-64 are the same on both a contract and delivery basis, as these products have been bought on bids for future delivery only in recent years.
3/ January 1, 1950-March 31, 1951 (15 months).
4/ Excludes 5.2 million pounds of butter and 86.7 million pounds of cheese purchased in March and contracted for resale back to the sellers in April.

SOURCES: ASCS and CCC records.

Table 20. - Net removals of dairy products from the market resulting from price support and other purchases, PIK exports, and CCC sales for unrestricted uses, and such removals as percentages of production

Marketing year Apr.-Mar. (except as noted)	Butter: Production	Butter: Removals 1/ Quantity	Butter: Removals 1/ Percent of production	Cheese: Production 2/	Cheese: Removals 1/ Quantity	Cheese: Removals 1/ Percent of production	Nonfat dry milk: Production	Nonfat dry milk: Removals 1/ Quantity	Nonfat dry milk: Removals 1/ Percent of production
	Mil. lb.	Mil. lb.	Percent	Mil. lb.	Mil. lb.	Percent	Mil. lb.	Mil. lb.	Percent
1949 Cal. year	1,412	112	8	935	26	3	935	325	35
1950-51 3/	1,645	-12 4/	-	1,058	75	7	1,019	302	30
1951-52	1,193	4/	-	858	1	-	731	52	7
1952-53	1,266	143	11	902	74	8	974	213	22
1953-54	1,462	371	25	1,061	379	36	1,293	680	53
1954-55	1,405	196	14	1,012	117	12	1,301	522	40
1955-56	1,408	177	13	1,004	153	15	1,420	603	42
1956-57	1,405	154	11	997	196	20	1,512	736	49
1957-58	1,424	214	15	1,013	244	24	1,655	907	55
1958-59	1,376	150	11	975	33	3	1,713	826	48
1959-60	1,355	135	10	946	50	5	1,769	857	48
1960-61	1,372	154	11	1,042	5/	-	1,812	837	46
1961-62	1,542	435	28	1,133	191	17	2,120	1,275	60
1962-63	1,504	347	23	1,087	134	12	2,200	1,303	59
1963-64	1,425	292	20	1,137	120	11	2,131	1,174	55
1964-65	1,443	316	22	1,169	134	11	2,183	1,223	56
1965-66	1,219	126	10	1,144	21	2	1,815	881	49
1966-67	1,145	109	10	1,266	40	3	1,590	421	26
1967-68	1,214	247	20	1,268	175	14	1,668	633	38
1968-69 6/	1,162	181	16	1,269	67	5	1,579	556	35

1/ Price support, Sec. 32, and Sec. 709 purchases (delivery basis), plus exports on which CCC issued PIK certificates, less CCC sales for unrestricted use.
2/ American (Cheddar-type) cheese.
3/ 15 months, January 1950-March 1951.
4/ Sales exceeded purchases by 12 million pounds in 1950-51 and by .1 of a million pounds in 1951-52.
5/ .2 of a million pounds.
6/ Production partially estimated.

SOURCES: Production from Dairy Statistics Bul. No. 303 and 430, ERS, and Creamery Butter Production reports, SRS, USDA; removals based on ASCS and CCC records.

Table 21. - Milkfat and nonfat solids contents of net removals of dairy products from commercial market under price support and other programs, and same as percentages of solids contents of total farm marketings of milk and cream

Marketing year (Apr. - Mar.) except as noted	Solids contents of farm marketings 1/		Solids contents of removals 2/			
					Percent of marketings	
	Milkfat	Nonfat	milk-fat	Nonfat	Milkfat	Nonfat
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Percent	
1949 Cal. yr.	3,823	6,941	100	321	2.6	4.6
1950-51 3/	4,713	8,552	17	314	0.4	3.6
1951-52	3,759	6,951	1	50	4/	0.7
1952-53	3,845	7,299	141	288	3.7	3.1
1953-54	4,053	7,866	426	772	10.6	9.9
1954-55	4,081	7,999	199	539	4.9	6.7
1955-56	4,190	8,352	196	628	4.7	7.5
1956-57	4,231	8,598	193	768	4.5	8.9
1957-58	4,256	8,787	258	948	6.0	10.7
1958-59	4,231	8,895	137	804	3.2	9.0
1959-60	4,223	9,009	131	839	3.1	9.3
1960-61	4,283	9,236	130	805	3.0	9.6
1961-62	4,417	9,646	420	1,286	9.5	13.3
1962-63	4,418	9,742	332	1,295	7.5	13.2
1963-64	4,415	9,869	282	1,166	6.4	11.9
1964065	4,449	10,029	307	1,218	6.9	12.2
1965-66	4,300	9,746	115	853	2.6	8.7
1966-67	4,223	9,628	104	417	2.5	4.3
1967-68	4,180	9,595	259	664	6.2	6.9
1968-69 5/	4,124	9,486	175	556	4.2	5.9

1/ For 1950-51 to 1968-69 estimated from the solids contents of total farm marketings in the calendar years in which the marketing years began by assuming that the solids contents of marketings in the marketing years were the same percentages of the solids contents of marketings in the calendar years as milk production in the marketing years were of production in the calendar years.

2/ Net removals through purchases (delivery basis) under price support, Sec. 32, and Sec. 709, programs, plus commercial exports of butter (and butter equivalent of other high-fat products) and nonfat dry milk on which CCC issued PIK certificates under the PIK export payment program, less CCC sales for unrestricted uses. Solids contents of removals computed on the basis of the following: Butter solids; nonfat dry milk .7% fat and 96% nonfat solids.

3/ 15 months, January 1950 - March 1951.

4/ About .02 of 1%.

5/ Marketings estimated.

Table 22. - Butter: Price support and Section 709 purchases (delivery basis), 1949-1968

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total 1/
	Million Pounds												
1949	-	-	.1	1.8	.8	5.2	2.3	50.7	21.8	14.7	5.5	11.3	114.3
1950	-	.1	8.4	18.3	25.7	44.1	24.7	5.6	1.0	-	-	-	128.0
1951	-	-	-	.2	-	-	-	-	-	-	-	-	.2
1952	-	-	-	-	-	-	-	-	-	-	.4	15.7	16.1
1953	36.2	38.6	52.5	25.2	42.3	66.8	50.2	27.1	4.9	1.0	3.2	11.0	359.0
1954	28.4	34.0	81.0	14.8	44.1	65.4	35.2	13.1	3.1	.1	.4	-	319.7
1955	7.5	9.5	17.3	19.1	30.6	38.9	19.0	4.8	.1	1.7	6.4	7.4	162.4
1956	16.5	13.3	19.8	19.5	29.4	35.5	22.8	6.7	.7	.1	-	.4	164.7
1957	12.4	10.1	16.8	19.3	20.0	36.8	27.9	6.2	.1	4.1	6.9	3.0	173.5
1958	18.2	20.6	42.0	12.6	26.3	34.0	21.9	5.5	.2	1.5	.7	.4	183.8
1959	14.2	15.3	17.8	20.0	20.4	26.7	9.0	.3	-	-	-	-	123.7
1960	12.4	20.3	26.0	15.9	22.6	26.9	16.0	.4	-	.2	.5	4.0	145.4
1961	19.1	21.3	27.3	32.7	41.0	53.8	38.8	19.4	8.1	21.9	23.6	22.5	329.5
1962	43.7	46.3	83.1	23.6	55.3	68.9	37.4	15.3	1.4	12.5	7.1	8.5	403.2
1963	37.6	37.5	41.9	39.7	52.1	55.4	28.4	6.8	.3	2.3	1.8	3.8	307.8
1964	29.8	33.9	36.7	44.7	40.0	49.5	19.1	2.2	.1	.3	.3	1.6	259.1
1965	14.3	34.9	29.0	39.5	37.0	43.1	17.4	4.2	.4	.4	.4	.7	221.3
1966	1.7	2.8	2.2	-	-	-	-	-	-	.1	3.5	12.3	22.5
1967	28.3	34.9	28.7	28.9	44.1	43.2	33.8	11.1	1.5	6.7	4.1	.1	265.2
1968	18.7	27.6	27.0	20.9	33.5	39.2	20.9	5.5	-	.5	1.0	-	194.8

1/ Monthly quantities may not add exactly to totals because of rounding.

Table 23. - Cheddar cheese: Price support, Section 32, and Section 709 purchases, (delivery basis), 1949-1968

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total 1/
						Million pounds							
1949	-	-	-	-	-	-	-	4.8	8.0	7.7	2.6	2.4	25.5
1950	.1	-	.8	7.0	18.6	29.8	27.1	17.5	5.6	2.4	.2	-	108.9
1951	-	-	-	.1	-	-	-	-	.7	.1	-	-	.8
1952	-	-	-	-	*	.9	.2	-	-	-	-	1.7	2.8
1953	9.0	17.9	45.6	27.1	35.1	40.8	55.6	30.3	24.1	7.3	8.1	6.9	307.8
1954	22.7	33.8	94.9	9.8	21.9	33.5	22.8	16.8	12.7	4.0	1.6	1.3	275.7
1955	7.6	11.3	10.2	7.7	13.8	24.9	21.5	16.1	14.6	10.0	6.8	5.5	150.0
1956	8.8	12.0	15.7	12.1	19.4	19.5	20.1	20.0	14.3	16.2	15.2	14.6	177.9
1957	18.0	13.3	14.5	18.4	26.3	27.3	31.3	28.1	20.6	18.3	12.5	12.8	241.5
1958	15.4	12.7	24.6	3.8	7.2	6.4	5.3	2.2	.7	-	-	2.0	80.4
1959	2.6	2.0	2.5	3.1	7.6	12.2	11.8	7.2	4.0	3.9	.4	.1	57.3
1960	.1	-	-	-	.1	-	.1	*	-	-	-	-	.3
1961	-	-	*	1.2	6.8	13.2	13.6	13.4	13.7	13.0	12.1	13.0	100.1
1962	18.9	19.0	53.3	3.9	20.4	20.9	18.3	19.2	12.4	11.2	9.8	7.1	214.3
1963	5.5	4.8	3.5	1.2	9.9	20.8	19.1	12.3	12.2	9.2	3.3	11.3	113.1
1964	10.9	9.6	1.9	7.0	8.8	21.0	22.5	15.7	11.5	3.5	8.0	8.8	129.3
1965	6.5	8.3	12.8	9.5	1.2	3.0	4.7	2.2	.5	.2	-	-	48.9
1966	-	-	-	-	-	-	-	-	-	-	2.7	8.1	10.8
1967	6.4	9.5	13.2	13.6	20.1	21.2	20.0	24.3	19.4	13.6	10.2	9.0	180.5
1968	8.1	8.1	7.8	-	.8	10.3	14.2	6.2	15.5	10.0	7.0	-	88.0

1/ Monthly quantities may not add exactly to totals because of rounding.

* Less than 50,000 pounds.

Table 24. - Nonfat dry milk: Price support, Section 32, and Section 709 purchases, (delivery basis), 1949-1968

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total 1/
	Million pounds												
1949	-	-	-	9.9	44.9	70.4	38.8	9.6	65.5	30.6	24.6	31.3	325.5
1950	26.5	27.4	45.3	44.6	56.1	63.9	51.3	25.9	11.2	4.2	1.4	.5	358.0
1951	.4	.5	.2	1.8	3.7	6.1	12.5	12.6	14.1	9.2	3.2	2.5	66.8
1952	4.5	1.7	-	2.8	5.7	7.8	7.9	4.5	6.1	5.0	4.8	11.2	61.8
1953	31.1	44.2	86.6	46.2	75.5	84.7	67.4	47.3	35.0	22.6	18.6	38.0	597.2
1954	55.7	57.2	132.0	43.8	78.4	99.3	67.4	40.2	26.1	15.5	14.3	18.9	648.8
1955	35.6	38.9	48.0	50.9	69.5	79.2	54.3	41.0	29.5	24.3	26.9	38.0	536.0
1956	58.4	59.4	72.9	76.2	87.2	83.9	83.1	57.5	39.9	33.2	33.9	39.0	724.5
1957	67.2	66.6	68.4	80.7	100.5	106.4	91.7	79.9	40.2	25.6	42.9	54.9	825.3
1958	71.7	82.7	130.0	61.6	97.1	102.1	90.9	71.0	47.9	48.0	44.1	38.9	886.0
1959	66.2	73.2	84.8	94.7	97.4	87.4	87.4	65.8	46.5	33.2	40.8	52.9	830.3
1960	66.8	77.6	106.3	80.8	101.2	113.1	78.1	60.7	39.5	35.1	45.5	48.0	852.8
1961	67.1	76.5	91.6	81.1	112.6	135.2	113.4	98.8	78.8	66.0	81.6	83.2	1,085.9
1962	116.8	116.0	192.2	108.9	150.4	156.0	130.3	111.2	68.5	80.9	79.3	67.2	1,377.7
1963	108.6	94.4	123.2	99.0	131.4	115.2	106.7	71.8	35.2	39.4	44.0	50.2	1,019.1
1964	64.0	78.0	87.8	70.7	74.4	70.0	44.7	28.7	22.8	28.0	31.5	71.3	671.9
1965	103.7	98.2	116.1	98.1	98.1	98.9	63.2	60.9	43.6	22.5	39.7	39.1	882.1
1966	37.8	46.9	46.7	5.2	40.7	37.2	28.1	27.9	14.3	14.6	25.8	38.9	364.1
1967	56.3	62.7	68.6	60.6	77.4	78.9	68.5	56.1	38.5	36.9	41.8	40.8	687.1
1968	51.0	49.1	34.0	60.2	68.8	67.4	63.4	44.9	28.1	30.9	20.9	39.1	557.8

1/ Monthly quantities may not add exactly to totals because of rounding.

Table 25. - CCC purchase contracts for butter, Cheddar cheese, and nonfat dry milk in specified marketing years, by States 1/

State	1964-65			1967-68		
	Butter	Cheese	Nonfat dry milk	Butter	Cheese	Nonfat dry milk
	Million Pounds					
Ala.	---	---	---	---	.5	---
Calif.	---	---	6.2	7.0	---	7.6
Colo.	---	---	---	.3	---	---
Ga.	---	---	---	---	.5	---
Ida.	---	---	12.6	---	---	4.9
Ill.	79.3	.1	.3	93.3	.3	.1
Ind.	5.0	.9	.4	4.3	---	---
Iowa	12.5	.4	74.7	12.1	.9	85.3
Kan.	.6	*	3.1	.5	.4	4.8
Ky.	.5	.6	1.1	4.0	5.6	.3
Md.	.4	---	1.0	.6	---	---
Mich.	.8	---	11.0	1.0	.2	.5
Minn.	50.2	6.3	338.3	51.8	20.7	338.0
Mo.	2.5	14.3	*	7.1	27.1	7.8
Miss.	---	---	---	.5	2.5	---
Neb.	2.3	---	5.9	3.6	.3	5.5
N.H.	2.5	---	---	---	---	---
N.J.	18.1	---	*	3.6	---	---
N.Y.	3.6	---	28.8	12.4	---	26.4
N.D.	.2	---	5.3	.9	---	7.0
Ohio	---	10.0	.2	---	---	---
Okla.	.7	1.2	.2	7.5	---	1.2
Ore.	---	---	.5	.8	---	.8
Pa.	4.0	---	2.2	2.5	---	3.3
S.D.	.2	---	30.7	.3	---	32.5
Tenn.	---	7.0	---	1.3	7.6	---
Tex.	*	---	---	.3	---	.1
Utah	---	---	---	.2	---	---
Vt.	13.2	---	2.6	3.7	---	1.4
Wash.	---	---	6.5	.9	---	.2
Wis.	12.6	104.1	195.1	26.6	83.1	106.0
Total 2/	209.2	145.1	727.0	247.1	149.6	633.7

* Less than 50,000 pounds.

1/ Location of plant or warehouse at which bulk dairy products were offered to CCC at announced prices; location of plants from which dairy products sold to CCC on bids in special forms (vitaminized, processed or in special containers) were shipped to programs.

2/ State figures may not add exactly to U.S. totals due to rounding.

Table 26. - Exports of butter and butter equivalent of other high milkfat products, and nonfat dry milk, from commercial sources, under the PIK program, 1962-63 through 1966-67 marketing year 1/

Product and year	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	Total 2/
	Million pounds												
Butter													
1963-64	-	-	-	-	-	-	-	.2	.1	.5	.5	.3	1.6
1964-65	4.0	5.7	6.2	6.2	7.2	6.8	7.8	9.8	17.5	17.3	9.6	17.4	115.5
1965-66	1.8	.9	1.3	2.1	3.2	.4	.3	.3	.4	.2	.2	.8	11.9
1966-67	1.0	.5	*	-	-	-	-	-	-	-	-	-	1.4
Nonfat dry milk													
1962-63	-	-	-	-	2.7	1.3	1.7	.1	2.8	1.0	3.6	11.0	24.2
1963-64	20.1	14.8	19.0	25.0	21.1	23.0	19.3	19.3	23.9	21.3	18.6	26.5	251.9
1964-65	32.1	37.1	76.8	70.3	67.6	45.5	32.1	25.3	43.7	24.2	.4	7.6	462.7
1965-66	8.3	13.8	18.8	27.7	49.9	28.8	33.8	5.6	1.1	.1	.7	1.0	189.7
1966-67	.3	.3	*	-	-	-	-	-	-	-	-	-	.6

1/ Quantities on which PIK certificates were issued by CCC to exporters, by month of issuance, after the products had been exported.

2/ Monthly totals may not add exactly to totals because of rounding.

* Less than 50,000 pounds.

Table 27. - Additional fluid milk purchased by the U.S. military and related agencies and Veterans Administration and partly paid for by Commodity Credit Corporation under the Military Milk Program, by fiscal year

Fiscal year (July-June)	Quantity	CCC Payments
	Mil. lbs.	Mil. dol.
1955-56	105	4.3
1956-57	178	7.3
1957-58	399	16.4
1958-59	741	30.4
1959-60	562	23.0
1960-61	574	23.6
1961-62	607	25.3
1962-63	607	25.9
1963-64	608	24.8
1964-65	650	26.5
1965-66	642	26.2

SOURCE: CCC records.

Table 28. - Estimated quantities of fluid milk consumed in the regular National School Lunch Program, and the Special Milk Program, by calendar years

Year	School lunch	Special milk	Total
	Mil. lb.	Mil. lb.	Mil. lb.
1950	623	---	623
1951	677	---	677
1952	753	---	753
1953	795	---	795
1954	866	49	915
1955	909	485	1,394
1956	895	848	1,743
1957	936	981	1,917
1958	1,007	1,106	2,113
1959	1,071	1,213	2,284
1960	1,155	1,300	2,455
1961	1,231	1,371	2,602
1962	1,305	1,450	2,755
1963	1,374	1,528	2,902
1964	1,451	1,580	3,031
1965	1,600	1,615	3,215
1966	1,680	1,693	3,373
1967	1,714	1,727	3,441
1968			3,610

1/ Preliminary.

SOURCES: Dairy Situation, November 1968 and March 1969.

Table 29. - Utilizations (commitments to programs) of butter purchased under price support and Sec. 709 programs, 1949-1968

Use	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
	Million pounds									
Commercial sales:										
Domestic:										
Unrestricted	2.6	113.3	27.5		3.7	14.6	0.4	0.2	1.0	0.1
Restricted 1/						1.7	2.3	1.9	3.1	3.7
Export:										
Dollars						1.7	12.2	14.8	5.0	1.2
Title I 2/							2.5	9.1	3.7	27.4
Barter 3/										0.8
Noncommercial sales:										
Export 4/		5.5				11.4	26.6	2.8		
U.S. military 5/					15.1	23.4	7.5	6.2	4.9	5.0
Donations:										
U.S. school lunch & needy 6/	15.0	40.6			71.0	113.2	96.4	94.6	99.0	143.8
U.S. military 7/						6.3	33.9	23.2	20.6	22.1
Veterans hospitals 7/						0.8	2.7	2.1	2.2	2.8
Foreign 8/		37.9			28.1	139.6	181.5	69.9	2.2	
Other 9/					0.3	0.1		0.1	0.7	1.2
Total	17.6	197.3	27.5	0.0	118.2	312.8	366.0	224.9	142.4	208.1

Continued, page 68

Table 29. - Utilizations (commitments to programs) of butter purchased under price support and Sec. 709 programs, 1949-1968 - (Continued)

Use	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	Total 1949-68
	Million pounds										
Commercial sales:											
Domestic:											
Unrestricted		0.5	0.2	0.5	0.5	36.0	35.3		0.1		236.5
Restricted 1/	2.3										15.0
Export:											
Dollars	1.7	0.6	1.3	5.1	82.5	37.7	11.7	0.2			175.7
Title I 2/				*	1.8	1.7	0.7				46.9
Barter 3/	16.8	0.3	0.5	1.9	5.0	15.0	1.3				41.6
Noncommercial sales:											
Export 4/											
U.S. military 5/	4.7	6.0	2.9	7.9	14.9	16.9	0.9	0.2			47.4
Donations:							13.4	3.9	.3		133.0
U.S. school lunch & needy 6/	79.6	105.0	170.7	160.7	179.7	151.8	133.8	28.4	125.4	161.4	1,970.1
U.S. military 7/	22.5	14.0	16.0	28.1	24.0	20.4	18.8			50.0	299.9
Veterans hospital 7/	2.1	1.9	2.7	2.6	2.3	2.8	2.7		1.6	3.2	32.5
Foreign 8/				50.4	169.1	85.2			.1	37.9	801.9
Other 9/	0.8	1.1	1.2	1.7	2.2	0.6	6.3	-0.9	.4	.6	16.4
Total	130.5	129.4	195.5	258.9	482.0	368.1	224.9	31.8	127.6	253.4	3,816.9

1/ For use as cocoa butter extender in chocolate products. 2/ For foreign currencies under Title I, P.L. 480. 3/ For barter under Sec. 303 of the Title III, P.L. 480, or the CCC Charter Act. 4/ To foreign governments and other agencies for school lunch, welfare, or similar uses. 5/ For use in addition to their normal market purchases in 1953 and 1955; thereafter for overseas use in place of foreign supplies. 6/ For school lunch, charitable institution, and needy family use under Sec. 416 of the Agricultural Act of 1949, Sec. 32 of P.L. 320, and Sec. 709 of the Food and Agriculture Act of 1965. 7/ For additional use under Sec. 202 of the Agricultural Act of 1949. 8/ For school lunch, needy person, and similar uses, under Sec. 416 of the Agricultural Act of 1949, and Title II of P.L. 480. (Includes butter equivalent of butter oil and ghee.) 9/ Donation to penal institutions under Sec. 210 of P.L. 540-84 Cong. (70 Stat. 202, 7 USC 1859), and inventory adjustment.

* Less than 50,000 pounds.

Table 30. - Utilizations (commitments to programs) of Cheddar cheese acquired under price support, Sec. 32, and Sec. 709 programs, 1950-1968 1/

Use	1950	1951	1952	1953	1954	1955	1956	1957	1958
	Million pounds								
Commercial sales:									
Domestic	25.7	7.9	1.1	5.3	33.3	8.7	1.4	0.9	5.4
Export:									
Dollars					0.3	2.8	8.8	5.0	1.6
Title I 2/						1.2	3.1	3.2	11.0
Barter 3/									2.8
Noncommercial sales:									
Export 4/	71.9	0.8		0.5		6.8			
U.S. military 5/					0.8	0.5	1.7	2.0	0.3
Donations:									
U.S. school lunch & needy 6/	20.5			17.4	77.7	71.3	131.7	81.9	115.0
U.S. military 7/					0.5	1.7			2.4
Foreign 8/	8.5			14.3	83.0	131.2	155.5	151.2	76.2
Other 9/							0.4	0.7	0.4
Total	126.6	8.7	1.1	37.5	195.6	224.2	302.6	244.9	215.1

Continued, page 70

Table 30. - Utilizations (commitments to programs) of Cheddar cheese acquired under price support, Sec. 32, and Sec. 709 programs, 1950-1968 1/ (Continued)

Use	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	Total 1950-1968
	Million pounds										
Commercial sales:											
Domestic			0.1	1.4	2.2	.7	.3			.6	95.0
Export:											
Dollars	0.2		0.8	1.9	1.7	2.1	1.6	0.1			26.9
Title I 2/					0.5	1.6	0.2				20.8
Barter 3/	11.7										14.5
Noncommercial sales:											
Export 4/					2.8	2.1					84.9
U.S. military 5/	0.2			0.3			0.1				5.9
Donations:											
U.S. school lunch & needy 6/	37.6	6.6	66.9	166.8	133.7	109.5	51.6	12.4	131.6	105.5	1,337.7
U.S. military 7/	2.7	0.5	1.9	2.2	3.0	4.0	2.7			3.6	25.2
Foreign 8/				20.5	19.1					.1	659.6
Other 9/	0.3	0.3	0.8	0.6	1.2	0.7	-0.5		1.0	.7	6.6
Total	52.7	7.4	70.5	193.7	164.2	120.7	56.0	12.5	132.6	110.5	2,277.1

1/ No cheese was committed to programs in 1949. 2/ For foreign currencies under Title I, P.L. 480.
3/ For barter under Sec. 303 of the Title III, P.L. 480, or the CCC Charter Act.
4/ To foreign governments and other agencies for school lunch, welfare, or similar uses.
5/ Mainly for overseas use in place of supplies from foreign sources.
6/ For school lunch, charitable institution, and needy family use under Sec. 416 of the Agricultural Act of 1949, Sec. 32 of P.L. 320, and Sec. 709 of the Food and Agriculture Act of 1965.
7/ For additional use under Sec. 202 of the Agricultural Act of 1949.
8/ For school lunch, needy person, and similar uses, under Sec. 416 of the Agricultural Act of 1949, and Title II of P.L. 480.
9/ Donation to penal institutions, other miscellaneous uses, inventory adjustments.

Table 31. - Utilizations (commitments to programs) of nonfat dry milk acquired under the price support and Sec. 32 programs, 1949-1968

Use	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
					Million pounds					
Commercial sales:										
Domestic:										
Unrestricted		30.8	31.5	19.5	0.1	4.4	1.3	1.1	0.1	
Restricted 1/		10.0	17.5	7.4	2.5	578.3	15.6	21.9	21.8	45.6
Export:										
Dollars		2.7	5.9			2.2	88.0	68.7	46.0	36.0
Title I 2/								12.3	22.8	56.2
Barter 3/							1.0		2.4	10.3
Noncommercial sales:										
Export 4/	140.8	187.1	83.5	20.2	99.2	142.9	75.3	48.9	62.7	44.8
U.S. military 5/			.8	4.8	6.5					
Donations:										
U.S. school lunch & needy 6/	15.4	16.4	12.4	9.5	7.5	59.7	86.4	127.6	44.3	15.6
U.S. military 7/						0.1	0.1	0.1	0.1	*
Foreign 8/		71.2	54.6		79.9	197.6	380.9	444.7	568.9	555.5
Other 9/					0.1		0.2	0.8	0.7	0.8
Total	156.2	318.2	206.2	61.4	195.8	985.2	648.8	726.1	769.8	764.8

Continued, page 72

Table 31. - Utilizations (commitments to programs) of nonfat dry milk acquired under the price support and Sec. 32 programs, 1949-1968 (Continued)

Use	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	Total 1949-68
	Million pounds										
Commercial sales:											
Domestic:											
Unrestricted				0.1	1.1		3.9	.8	0.2		94.9
Restricted 1/	42.8	11.7	22.6	19.5	61.6	21.7	3.6	3.5	0.3	4.4	912.3
Export:											
Dollars	54.3	50.4	59.7	67.1	84.0	112.6	44.0	5.6		15.7	742.9
Title I 2/	52.2	29.4	10.8	13.5	9.4	5.6	6.7	0.7		15.5	235.1
Barter 3/	51.9	10.4	21.5	19.6	27.2	33.8	.7	1.2			180.0
Noncommercial sales:											
Export 4/	52.9	82.6	77.8	100.3	192.9	153.0	114.6	32.5	4.0	79.7	1,795.7
U.S. military 5/							0.2				12.3
Donations:											
U.S. school lunch & needy 6/	124.9	91.6	232.5	187.9	190.0	178.5	127.7	176.3	126.6	130.3	1,961.1
U.S. military 7/	0.1	0.1	0.1	0.1			0.2				1.0
Foreign 8/	402.5	415.8	753.3	559.7	578.9	471.1	517.4	209.0	349.8	331.7	6,942.5
Other 9/	1.4	3.5	6.3	4.4	0.5	1.1	3.7	3.4	-3.1	-0.5	23.3
Total	783.0	695.5	1,184.6	972.2	1,145.6	977.4	822.7	433.0	477.8	576.8	12,901.1

* Less than 50,000 pounds.

1/ For use as animal feed. 2/ For foreign currencies under Title I, P.L. 480.
3/ For barter under Sec. 303 of the Title III, P.L. 480, or the CCC Charter Act.
4/ To foreign governments and other agencies for school lunch, welfare, or similar uses.
5/ Sales during 1951-52 were for feeding programs in occupied areas in Europe.
6/ For school lunch, charitable institution, and needy family use under Sec. 416 of the Agricultural Act of 1949, and Sec. 32 of P.L. 320. 7/ For additional use under Sec. 202 of the Agricultural Act of 1949. 8/ For school lunch, needy person, and similar uses, under Sec. 416 of the Agricultural Act of 1949, and Title II of P.L. 480.
9/ Donation to penal institutions, and for research and other miscellaneous uses, and inventory adjustments.

Table 32. - Amounts by which CCC's announced sales prices of dairy products for unrestricted uses were above CCC's buying prices, per pound, at specified locations, 1950-51 to 1968-69

Marketing year (except as noted)	Butter 1/	Cheese 2/	Nonfat dry milk 3/
	Cents	Cents	Cents
1950-51:			
Jan. 1950-Jan. 1951	3.0	2.0	0.5
Feb. - Mar. 1951	3.0	2.0	1.5
1951-52:			
Apr. - Aug.	4/	4/	0.5
Sept. - Mar.	4/	4/	0.75
1952-53 to 1955-56	3.0	2.0	1.0
1956-57:			
Apr. 1-18	3.0	1.25	1.0
Apr. 19-Mar. 31	3.0	2.0	1.0
1957-58	3.0	2.0	1.0
1958-59	9.25	5.75	2.0
1959-60	7.276	4.25	1.75
1960-61:			
Apr. 1-Sept. 17	7.526	4/	1.6
Sept. 18-Oct. 23	5.026	4/	1.1
Oct. 25-Mar. 9	5.034	4/	1.1
Mar. 10-31	4/	4/	1.1
1961-62:			
Apr. 1-July 17	4.284	2.65	1.1
July 18-Mar. 31	4.284	2.25	1.0
1962-63	6.784	4.15	3.0
1963-64 to 1964-65	3.034	4.15	2.0
1965-66	3.034	4.15	1.8
1966-67	3.034	4.20	2.0
1967-68	6.534	4.375	2.0
1968-69	6.582	4.75	2.3

1/ U.S. Grade A butter at Chicago. Mark-ups at most other locations were different as location differentials in CCC's buying and selling prices were different.
2/ U.S. Grade A (natural) Cheddar cheese at locations other than the Atlantic, Gulf, and Pacific coastal States where the sales price usually was one cent higher.
3/ U.S. Extra grade nonfat dry milk in barrels, drums and 100-pound bags, at all locations.
4/ None offered for sale.

Table 33. - CCC sales of butter for unrestricted use, 1949-1968

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total 1/
							Million pounds						
1949	-	-	-	-	-	-	-	-	-	-	.2	.4	.6
1950	1.5	4.8	.2	*	.1	.1	.1	1.4	9.1	11.4	27.3	57.3	113.3
1951	17.1	5.7	3.6	-	.1	-	-	-	-	-	.2	-	26.8
1952	-	-	-	-	-	-	-	-	-	-	-	-	-
1953	-	-	-	-	-	.2	-	-	*	1.9	1.5	-	3.7
1954	-	-	-	.9	-	-	-	-	.9	2.1	2.2	8.4	14.6
1955	.2	-	*	-	-	-	-	-	.1	-	-	-	.3
1956	.2	*	-	-	-	-	-	-	-	-	-	-	.3
1957	-	-	-	-	-	-	-	-	.7	-	-	-	.7
1958	-	-	-	-	*	*	-	-	-	-	-	-	.1
1959	-	-	-	-	-	-	-	-	-	-	-	-	-
1960	-	-	-	-	-	-	-	-	-	-	-	-	-
1961	-	-	-	-	-	-	-	-	-	-	-	-	-
1962	-	-	.1	-	.1	.1	-	-	-	-	-	-	.3
1963	-	-	-	-	-	-	-	-	.4	.1	-	-	.5
1964	-	-	-	-	-	-	-	-	9.7	5.9	19.4	1.0	36.0
1965	-	-	-	-	-	-	*	.1	4.1	3.5	22.3	5.2	35.3
1966	-	-	-	-	-	-	-	-	-	-	-	-	-
1967	-	-	-	-	-	-	-	-	-	.1	-	-	.1
1968	-	-	-	-	-	-	-	-	-	-	-	-	-

* Less than 50,000 pounds.

1/ Monthly quantities may not add exactly to totals because of rounding.

Table 34. - CCC sales of cheese for unrestricted use, 1950-1968

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total 1/
	Million Pounds												
1950	.6	4.3	2.0	.2	.3	*	*	.6	.4	.5	4.5	12.3	25.7
1951	7.8	*	-	-	-	-	-	-	-	-	-	-	7.9
1952	-	-	-	-	-	-	-	-	1.1	-	-	-	1.1
1953	-	-	-	*	-	-	-	-	.1	1.0	1.3	2.8	5.3
1954	2.0	.1	-	7.9	5.6	6.5	1.2	1.6	1.1	2.3	2.1	2.8	33.2
1955	2.2	1.4	1.1	.7	.4	.5	.3	.3	.6	.5	4	.3	8.7
1956	.1	.3	.2	.3	*	.2	.2	*	*	.1	.1	-	1.4
1957	-	.2	*	.1	-	.1	.1	.1	*	*	.2	.1	.9
1958	-	.1	3.2	.6	.5	.7	.1	.2	-	*	-	-	5.4
1959	-	-	-	-	-	-	-	-	-	-	-	-	-
1960	-	-	-	-	-	-	-	-	-	-	-	-	-
1961	-	-	-	-	-	-	-	-	.1	-	-	-	.1
1962	-	-	-	-	-	-	-	.1	*	.4	.5	.2	1.3
1963	.3	.6	.2	-	-	*	*	.3	.1	.3	.3	*	2.2
1964	.1	.3	.2	-	-	-	-	-	-	-	-	.1	.7
1965	.2	-	.1	-	-	-	-	-	-	-	-	-	.3
1966	-	-	-	-	-	-	-	-	-	-	-	-	-
1967	-	-	-	-	-	-	-	-	-	-	-	-	-
1968	.2	.1	*	-	-	-	-	-	.2	-	.1	*	.6

* Less than 50,000 pounds.

1/ Monthly quantities may not add exactly to totals because of rounding.

Table 35. - CCC sales of nonfat dry milk for unrestricted use, 1950-1968

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total 1/
	Million Pounds												
1950	-	-	-	-	-	-	-	.1	1.1	7.6	11.7	10.1	30.8
1951	19.3	5.1	1.5	-	-	-	-	.2	.1	.8	1.9	2.5	31.5
1952	4.4	9.1	1.2	.1	.4	.2	.3	1.3	1.4	.7	-	.3	19.5
1953	-	-	-	-	-	-	-	-	*	*	-	-	.1
1954	-	-	-	-	-	-	-	-	.3	2.3	.8	1.0	4.4
1955	-	*	*	-	-	-	.7	.1	*	-	-	-	.9
1956	-	-	-	-	-	-	-	-	-	-	.1	.1	.2
1957	-	-	-	-	-	-	-	-	-	-	-	-	-
1958	-	-	-	-	-	-	-	-	-	-	-	-	-
1959	-	-	-	-	-	-	-	-	-	-	-	-	-
1960	-	-	-	-	-	-	-	-	-	-	-	-	-
1961	-	-	-	-	-	-	-	-	-	-	-	-	-
1962	*	-	-	-	-	-	-	-	-	-	-	-	*
1963	-	-	-	-	-	-	-	-	-	1.1	-	-	1.1
1964	-	-	-	-	-	-	-	-	-	-	-	-	-
1965	-	-	-	-	-	-	-	-	-	.8	2.7	.4	3.9
1966	.1	.7	-	-	-	-	-	-	-	-	-	-	.8
1967	-	-	-	-	-	-	-	-	-	.2	-	-	.2
1968	-	-	-	-	-	-	-	-	-	-	-	-	-

* Less than 50,000 pounds.

1/ Monthly quantities may not add exactly to totals because of rounding.

Table 36. - Prices (or ranges in prices) per pound at which CCC has offered or sold dairy products for commercial export for unrestricted uses, except as otherwise indicated 1/

Year	Butter 2/	Cheddar cheese 3/	Spray nonfat dry milk 4/
	Cents	Cents	Cents
1950			12.5 5/
1951			12.5 5/
1954	41.0	25.5	11.75
1955	35.5 - 41.0	22.0 - 25.5	
1956	35.5 - 41.0	22.0 - 25.5	9.9 - 11.75
1957	39.0	22.0	9.9
1958	39.0	22.0	9.9
1959	37.0 - 42.0	35.0	7.0 - 9.0
1960	31.0 - 37.75		6.62 - 11.02
1961	27.12 - 31.5	24.92 - 26.0	5.73 - 7.6
1962	23.35 - 27.25	23.2 - 25.75	6.12 - 6.7
1963	23.25 - 27.6	24.5 - 25.5	6.29 - 7.35
1964	26.9 - 49.41	23.375 - 30.75	7.10 - 14.6
1965	31.25 - 42.7	30.25 - 32.0	12.92 - 15.12
1966		31.41	13.03 - 13.06
1968			8.0 - 11.0 6/

1/ Either announced or competitive bid prices when products were offered or sold for export at less than CCC's sales prices for unrestricted domestic use. (Products were not offered for sale for export at less than such prices in every month).
2/ U.S. Grade A, basis f.a.s. port of export. CCC also sold some butter from 1954 to 1957 at 20 to 30 cents for the restricted export uses of combining with U.S. produced nonfat dry milk, and in bakery and similar products.
3/ U.S. Grade A though July 1956 (grades offered thereafter), basis f.a.s. ports of export.
4/ Generally U.S. Extra grade, fob at storage locations through April 1954, and generally f.a.s. ports of export thereafter. Prices for product in bags were .85 of a cent lower than for products in barrels and drums through January 1959; thereafter, prices were the same for all containers.
5/ Except that from October 1950 to March 1951, the price for shipment to Latin American countries was 9.5 cents, basis port of export.
6/ For restricted use in the manufacture of recombined products, such as evaporated milk, condensed milk, or fluid milk, cheese, and ice cream, in overseas plants in which one or more U.S. persons own at least a 50 percent interest, or for export for foreign currencies under Title I, P.L. 480 programs.

Table 37. - CCC's uncommitted inventories of dairy products at end of month, by marketing years 1/
(Million Pounds)

Month	Butter 2/	Cheese	Nonfat dry milk	Butter 2/	Cheese	Nonfat dry milk	Butter 2/	Cheese	Nonfat dry milk
	Million pounds								
	1950-51			1951-52			1952-53		
Apr.	112	26	236	-	-	17	-	-	21
May	131	39	285	*	-	6	-	-	24
June	176	69	342	*	-	11	-	-	27
July	193	93	341	*	-	22	-	-	27
Aug.	192	105	357	*	-	32	-	-	28
Sept.	179	102	323	*	1	44	-	*	31
Oct.	160	51	301	*	-	49	-	-	33
Nov.	131	38	258	-	-	48	-	*	33
Dec.	46	14	204	-	-	45	12	1	39
Jan.	11	8	119	-	-	41	47	11	67
Feb.	6	*	51	-	-	26	70	29	110
Mar.	-	-	32	-	-	25	107	61	144
	1953-54			1954-55			1955-56		
Apr.	140	95	200	365	385	590	221	317	97
May.	189	136	283	388	394	244	179	266	124
June	247	172	330	440	412	301	171	264	143
July	272	216	388	455	420	284	184	271	135
Aug.	274	243	420	445	425	224	160	282	147
Sept.	278	263	416	409	412	242	114	275	35
Oct.	254	259	416	391	397	223	109	278	22
Nov.	251	254	425	283	343	105	110	281	7
Dec.	257	255	432	266	335	92	59	261	18
Jan.	260	270	449	262	337	70	48	247	8
Feb.	284	297	491	253	333	77	33	240	11
Mar.	364	383	599	237	329	86	-	228	46

Continued, page 79

Table 37. - CCC's uncommitted inventories of dairy products at end of month, by marketing years 1/ (Continued)

(Million Pounds)

Month	Butter 2/	Cheese	Nonfat dry milk	Butter 2/	Cheese	Nonfat dry milk	Butter 2/	Cheese	Nonfat dry milk
	Million pounds								
	1956-57			1957-58			1958-59		
Apr.	4	234	70	31	152	51	70	100	92
May	25	250	142	39	177	86	59	65	109
June	6	201	146	71	167	115	85	70	153
July	16	215	113	95	191	66	97	57	156
Aug.	2	200	72	73	197	90	54	15	161
Sept.	-	187	82	69	174	77	53	13	152
Oct.	-	190	21	59	187	47	53	7	83
Nov.	-	172	16	34	178	25	10	-	74
Dec.	-	146	32	31	143	27	7	2	45
Jan.	9	158	33	40	155	22	18	5	48
Feb.	7	167	24	56	143	31	29	6	49
Mar.	22	136	57	64	113	85	16	7	43
	1959-60			1960-61			1961-62		
Apr.	35	10	53	-	-	197	-	-	147
May	25	7	57	-	-	185	43	8	152
June	47	19	42	19	-	243	95	21	205
July	50	31	45	34	-	287	133	34	247
Aug.	20	28	16	33	-	277	145	30	218
Sept.	-	31	2	17	-	271	144	38	229
Oct.	-	14	-	16	-	271	160	46	230
Nov.	-	8	-	16	-	198	165	50	186
Dec.	-	7	-	16	-	177	150	54	186
Jan.	-	7	45	-	-	191	188	52	223
Feb.	-	-	101	-	-	128	205	43	228
Mar.	-	-	180	-	*	127	283	82	214

Continued on page 80

Table 37. - CCC's uncommitted inventories of dairy products at end of month, by marketing years 1/ (Continued)

(Million Pounds)

Month	Butter 2/	Cheese	Nonfat dry milk	Butter 2/	Cheese	Nonfat dry milk	Butter 2/	Cheese	Nonfat dry milk
	1962-63			1963-64			1964-65		
Apr.	306	86	258	388	22	409	136	9	309
May	313	83	358	436	54	436	159	54	256
June	380	94	475	437	40	477	118	20	135
July	366	105	556	432	47	477	108	24	164
Aug.	354	98	548	385	58	445	103	28	99
Sept.	347	94	572	313	24	414	72	25	95
Oct.	346	86	583	266	25	393	61	26	162
Nov.	297	69	519	229	30	322	27	25	114
Dec.	294	63	514	120	19	303	18	17	66
Jan.	328	44	522	133	28	278	20	5	113
Feb.	330	19	525	118	28	236	33	3	218
Mar.	368	18	505	133	5	248	54	5	182
	1965-66			1966-67			1967-68		
Apr.	91	5	228	-	-	14	98	30	72
May	138	*	205	-	-	4	134	59	68
June	166	3	227	-	-	23	150	58	157
July	129	7	216	-	-	17	175	59	151
Aug.	124	4	217	-	-	15	133	47	123
Sept.	69	2	172	-	-	23	134	60	159
Oct.	54	1	138	1	1	26	141	72	152
Nov.	25	*	164	2	1	75	144	53	231
Dec.	9	*	143	6	7	64	137	57	201
Jan.	4	-	27	21	2	29	125	68	208
Feb.	*	-	6	37	1	134	128	67	301
Mar.	*	-	1	66	21	73	128	54	306

Continued, page 81

Table 37. - CCC's uncommitted inventories of dairy products at end of month, by marketing years 1/ (Continued)

(Million Pounds)

Month	Butter 2/	Cheese	Nonfat dry milk
		1968-69	
Apr.	149	53	287
May	143	46	272
June	152	46	248
July	170	51	265
Aug.	132	65	201
Sept.	126	63	213
Oct.	123	60	161
Nov.	107	56	293
Dec.	77	24	246
Jan.	73	23	221
Feb.	83	34	210
Mar.	80	28	202

* Less than half a million pounds.

1/ Based on purchase contracts and commitments (sales and donations) to program uses. Prior to March 1954, inventories at end of last full week in each month.

2/ Includes butter equivalent of butteroil and ghee (both at least 99.6 percent butterfat).

Table 38. - Net Government expenditures on dairy price support and related programs, by fiscal years, 1949-50 to 1967-68

Fiscal year (July-June)	Net support purchases 1/	Military & V.A. milk 2/	Sec. 32 3/	Sec. 709 4/	Payment-in-kind export 5/	Total (excluding special milk)	Special milk for children 6/
	Million dollars						
1949-50	170.5	---	17.6	---	---	188.1	---
1950-51	49.1 7/	---	.9 8/	---	---	50.0	---
1951-52	1.6	---	8.5	---	---	9.1	---
1952-53	274.9	---	25.1	---	---	300.0	---
1953-54	400.4	---	74.0	---	---	474.4	---
1954-55	228.7	4.3	24.4	---	---	257.4	22.2
1955-56	237.9	7.3	39.0	---	---	284.2	48.2
1956-57	239.1	16.4	75.6	---	---	331.1	61.0
1957-58	205.9	30.4	123.7	---	---	360.0	66.7
1958-59	102.1	23.0	106.2	---	---	231.3	74.7
1959-60	159.5	23.6	35.6	---	---	218.2	81.2
1960-61	173.9	25.3	82.1	---	---	281.3	87.0
1961-62	539.0	25.9	47.1	---	---	612.0	91.7
1962-63	454.0	24.8	---	---	6.7	485.5	93.7
1963-64	311.7	26.5	4.4	---	36.5	379.1	97.1
1964-65	157.2	26.2	105.6	---	44.7	333.7	86.5
1965-66	26.1	---	38.7	---	3.8	68.6	97.0
1966-67	283.9	---	.9	14.2	---	299.0	96.1
1967-68	357.1	---	---	---	---	357.1	103.1
Total	4,274.4	233.7	807.1	14.2	91.7	5,420.1	1,106.5

Continued, page 83

(Continues Table 38)

1/ CCC price support purchases and related costs (for processing, packaging, transporting, and storing) of dairy products, less proceeds from sales to commercial buyers for domestic use and for export (for dollars, foreign currencies, and barter), U.S. military agencies, foreign government and private welfare agencies, and Sec. 32 programs.
2/ CCC reimbursements to U.S. military agencies, Veterans Administration, and other participants in the program to increase their milk consumption.
3/ Expenditures of Sec. 32 funds to buy dairy products in the market and from CCC for school lunch and welfare uses.
4/ Purchase costs of dairy products bought in the market, under Sec. 709 of the Food and Agriculture Act of 1965, for school lunch use.
5/ Dollar values of PIK certificates issued by CCC to exporters on commercially exported nonfat dry milk, butter, and other high-milkfat products, based on quantities exported and the PIK payment rates.
6/ Expenditures of CCC and Sec. 32 funds, under specific legislative authorities, to increase the consumption of milk by children in schools, child-care centers, and similar institutions.
7/ Net receipt due to sales exceeding purchases.
8/ Receipt due to adjustment.

SOURCE: CCC and other ASCS records.

Table 39. - Purchase and related costs of dairy products donated for various uses, by fiscal years, 1949-50 to 1967-68

Fiscal year (July-June)	Domestic school lunch and welfare: Sec. 416 1/	Domestic school lunch and welfare: Sec. 32 and Sec. 709 2/	Domestic school lunch and welfare: Total	U.S. military, V.A. and other domestic 3/	Foreign school lunch, welfare and other uses: Sec. 416 (Title III, P.L. 480) 4/	Foreign school lunch, welfare and other uses: Title II, P.L. 480 5/	Foreign school lunch, welfare and other uses: Total	Total donations
	Million dollars							
1949-50	5.9	17.6	23.5	---	2.7	---	2.7	26.2
1950-51	26.8	.9 6/	25.9	---	40.8	---	40.8	66.7
1951-52	.2	8.5	8.7	---	7/	---	7/	8.7
1952-53	7/	25.1	25.1	---	1.9	---	1.9	27.0
1953-54	.3	74.0	74.3	---	49.6	---	49.6	123.9
1954-55	112.8	24.4	137.2	21.6	199.2	11.3	210.5	369.3
1955-56	83.4	39.0	122.4	17.1	251.6	19.9	271.5	411.0
1956-57	35.4	75.6	111.1	12.8	137.3	33.1	170.4	294.3
1957-58	15.7	123.7	139.4	17.4	163.8	10.7	174.5	331.3
1958-59	31.2	106.2	137.4	19.1	103.8	3.4	107.2	263.7
1959-60	46.7	35.1	81.8	6.8	42.1	11.9	54.0	142.6
1960-61	24.7	82.1	106.8	11.1	73.4	3.8	77.2	195.1
1961-62	138.2	47.1	185.3	18.9	96.3	9.6	105.9	310.1
1962-63	180.	---	180.8	16.9	136.6	14.3	150.9	348.6
1963-64	188.0	4.4	192.4	20.0	232.1	19.7	251.8	464.2
1964-65	62.7	105.6	168.3	16.2	79.8	4.7	84.5	269.0
1965-66	62.8	38.7	101.5	10.2	57.7	14.5	72.2	183.9
1966-67	77.1	15.1	92.2	7/	5.9	60.2	66.0	158.2
1967-68	172.3	---	172.3	16.6	---	85.6	85.6	274.5
Total	1,265.1	821.3	2,086.4	204.7	1,674.6	302.7	1,977.2	4,268.3

Continued, page 85

(Continues Table 39)

1/ Section 416 of the Agricultural Act of 1949.
2/ All Sec. 32 of P.L. 320 (including Sec. 32 purchases in the market and from CCC) except $14.2 million under Sec. 709 of the Food and Agriculture Act of 1965.
3/ Cost to CCC of butter, cheese and nonfat dry milk donated mostly to U.S. military and related agencies and Veterans Administration under Sec. 202 of the Agricultural Act of 1949. (Does not include CCC reimbursements under the military and V.A. milk programs).
4/ Under Sec. 416 of the Agricultural Act of 1949, as amended by Title III of P.L. 480, through December 1966. (Thereafter all foreign donations were under Title II of P.L. 480 which was revised by the Food for Peace Act of 1966).
5/ For famine or other urgent or extraordinary relief requirements through December 1966; thereafter under Title II as revised by the Food for Peace Act of 1966 to combine and broaden the authorities previously included in Sec. 416 and Title II.
6/ Receipt resulting from adjustment.
7/ Less than .05 of a million dollars.

SOURCE: CCC and other ASCS records.

APPENDIX II -- PRESS RELEASES

In order to preserve the full historical record, this Appendix reproduces the USDA press releases during the period under review, which announced successive measures in dairy price support and related programs and stated the considerations under which the actions were taken. The number at the foot (lower right) of each release is an identifying code number.

* * * * *

Washington, February 8, 1949

Butterfat Support Program for 1949 Announced:

The U.S. Department of Agriculture today announced a program to support the price of butterfat at a national average of 90 percent of parity during 1949, as required by the Agricultural Act of 1948. The support operations will be carried out through offers by the Department to purchase wholesale butter, when necessary.

Although butter and butterfat prices have been declining in recent months they have not quite reached the levels of manatory price support. With the proximity of the flush production season a support program is being announced to assure that average prices to producers for butterfat will not fall below 90 percent of parity, the level of support required by current legislation.

In carrying out any necessary support operations, the Department will offer to buy in any area during 1949 butter of U.S. Grade A or higher at 59 cents per pound for delivery before September 1, and at 62 cents for delivery on and after September 1. The Department's purchase price for U.S. Grade B butter will be 2 cents lower in each period.

The support program as announced, with its seasonal differential, is planned to encourage normal commercial storage of butter in the spring and summer months of seasonally large production, for marketing in the fall and winter. By encouraging storage, the program is expected to prevent a drastic decline in prices during the heavy production period and a subsequent sharp rise during the months of low production.

Butterfat prices are based on the market prices of butter. Offers to purchase butter at the announced price levels are designed, on the basis of the normal spread between the price of a pound of butter and the cost of the butterfat in a pound of butter, to assure farmers a national average butterfat price during 1949 equal to 90 percent of parity which, on the basis of mid-January computation of parity, is 58.5 cents.

Purchases will be limited to carlots of bulk solid-packed butter. The detailed forms and conditions of purchase will be given in a forthcoming purchase announcement.

Any butter acquired under the program will be available for sale in the domestic market at not less than the purchase price plus storage and other carrying costs incurred by the Department. It also will be available for sale to other Government agencies and school lunch programs.

USDA 275-49-2

* * * * *

Washington, April 14, 1949

Manufacturing Milk Support Program for 1949 Announced:
(For Release 3:00 p.m., April 14)

The U.S. Department of Agriculture today announced an additional program to support prices of milk going into manufacturing uses during 1949 at a national average of 90 percent of the parity equivalent price for manufacturing milk, in accordance with the Agricultural Act of 1948. (The parity equivalent price is 88.5 percent of the U.S. average parity price of all milk sold by farmers at wholesale to plants and dealers.) The support operations will be carried out through offers by the Department to purchase nonfat dry milk solids, when necessary.

In carrying out any necessary support operations, the Department will offer to buy in any area during 1949 nonfat dry milk solids of U.S. Extra Grade at 12.25 cents per pound for spray type solids and 11 cents for roller type solids for delivery before September 1 and at 12.75 cents for spray and 11.50 cents for roller for delivery on and after September 1.

Any nonfat dry milk solids acquired under the program will be available for sale to agencies administering foreign programs and for use in school lunch programs. The milk solids also will be available for sale in the domestic market at not less than the purchase price plus storage and other carrying costs incurred by the Department.

A similar program to support farm prices of butterfat at 90 percent of parity through purchases of butter was announced February 8, 1949. The programs supplement each other.

The two support programs as announced, both with seasonal differentials, are planned to encourage normal storage of dairy products during the spring and summer months of seasonally large production for marketing in the fall and winter.

By encouraging commercial storage, the programs are expected to stabilize the market by preventing a drastic decline in butterfat and manufacturing milk prices during the heavy producing period and a subsequent sharp rise during the months of low production.

Prices paid to milk producers for manufacturing milk have declined sharply in recent months, along with prices of manufactured dairy products, and now are close to the support level. In February 1949, the national average price received by producers for manufacturing milk was $3.20 per hundred pounds. This price was 92 percent of the parity equivalent price. With the spring and summer season of heaviest milk production now at hand, the support program is being announced to assure that the average prices to producers will not fall below the support level.

On the basis of the parity index for March 1949, 90 percent of the national average parity equivalent price of milk used for the principal manufactured dairy products (butter, nonfat dry milk solids, American Cheddar cheese and evaporated milk) is $3.14 per hundred pounds for milk of approximately 3.95 percent annual average butterfat test. Allowing for a seasonal adjustment,

the program just announced together with the butterfat program now operating is expected to maintain U.S. average prices of manufacturing milk of 3.95 percent test at approximately $3.07 during the spring and summer months of heave production and $3.22 during the fall and early winter months of light production. The actual seasonal variation in manufacturing milk prices per hundred pounds, however, may be substantially wider because of the usual seasonal variation in butterfat tests of milk for which price adjustments are made.

The support programs aim to support the general level of manufacturing milk prices rather than the price of milk in any particular use, area, quality or butterfat content. There usually are differences associated with these factors. However, the relationships are close between market prices of different dairy products and prices of milk in different manufacturing uses and areas, so that the program will tend to support prices of manufacturing milk in general.

USDA 775-49

* * * * *

Washington, July 27, 1949

Additional Price Support Action for Manufacturing Milk Announced:

The U.S. Department of Agriculture today announced two additional actions to support farm prices of milk going into manufactured dairy products, as required by existing legislation. The additional support will be given through offers by the Department to purchase American Cheddar cheese, and by making effective immediately the seasonal increase of 3 cents per pound in the Department's purchase price for butter previously scheduled to become effective September 1.

The purpose of the additional support actions announced today is to make more effective the support program for manufacturing milk.

The additional support actions have been necessary, Department officials stated, because the average price of manufacturing milk, adjusted for butterfat test, has been slightly below the support level during recent weeks. They pointed out that Cheddar cheese prices have declined, and that while competition for butter has caused market prices of butter to advance toward the purchase price of 62 cents a pound formerly scheduled to become effective September 1, the advance has not been equal to the decrease in carrying charges to that date.

In carrying out its cheese production program the Department will offer to buy in any area during the remainder of 1949 Cheddar cheese of U.S. Grade A or higher in carlots at 31.75 cents per pound, subject to the usual adjustments for moisture content. The detailed terms and conditions of purchase will be announced at an early date.

In putting the seasonal increase in butter support prices into immediate effect, the Department will purchase during the remainder of 1949 carlots of butter at 62 cents a pound for U.S. Grade A (92 score) or higher and 60 cents for U.S. Grade B (90 score). Previously the Department's purchase program for butter, as announced February 8, offered to buy butter of U.S. Grade A or higher at

59 cents per pound for delivery before September 1, and at 62 cents for delivery on and after September 1. The purchase price for Grade B butter was to be 2 cents lower in each period.

The support program for manufacturing milk is to support the general level of manufacturing milk prices at 90 percent of the parity equivalent price for such milk. The parity equivalent price is 88.5 percent of the average parity price of all milk sold by farmers at wholesale to plants to dealers.

Earlier action to support manufacturing milk prices, announced April 14, included purchases of nonfat dry milk solids in addition to purchases of butter. Allowing for a moderate seasonal adjustment, the program was expected to maintain the U.S. average price of manufacturing milk of 3.95 percent butterfat content at approximately $3.07 per hundredweight during the spring and summer months of heavy production and $3.22 during the fall and early winter months of light production.

Any dairy products acquired under the program will be available for sale in the domestic market at not less than the purchase price plus storage and other carrying costs incurred by the Department. They also will be available for sale to other government agencies and the school lunch program.

USDA 1596-49

* * * * *

Washington, December 22, 1949

USDA Announces 15-Month Dairy Support Program:

A program to support farm prices of manufacturing milk and butterfat from January 1950 through March 1951 at national average prices of approximately $3.07 per hundredweight for manufacturing milk of 3.95 percent butterfat (yearly average test) and approximately 60 cents per pound for butterfat was announced today by the U.S. Department of Agriculture. The program will support the price of all milk.

The support program was announced for the next 15 months so as to extend through the next full marketing year for dairy products. The prices announced are within the range specified by the Agricultural Act of 1949 which requires that farm prices of milk and butterfat be supported at levels between 75 and 90 percent of parity.

The support prices represent about 79 percent of the parity equivalent price for manufacturing milk, as parity is estimated under the new parity formula. (The parity equivalent price for manufacturing milk is 88.5 percent of the U.S. average parity price of all milk sold by farmers at wholesale to plants and dealers.)

As a means of carrying out this support to dairy farmers, the Department will offer to make carlot purchases of processed dairy products at the following prices, f.o.b. at any location in the United States:

Product	
Cheddar cheese, U.S. Grade A or higher	31 cents per lb.
Butter, U.S. Grade A or higher	60 cents per lb.
Butter, U.S. Grade B	58 cents per lb.
Nonfat dry milk solids, spray type, U.S. extra	12½ cents per lb.
Nonfat dry milk solids, roller type, U.S. extra	10½ cents per lb.
Evaporated milk	3.95 dollars per case

The farm support prices (in dollars and cents) under the new program are approximately the same as the average levels supported during 1949. The percentage of parity support under the two programs differ, however, because of the new parity formula. It is estimated that 79 percent of the parity for milk under the new formula is about equal to 90 percent of the old parity price.

USDA 2755-49

* * * * *

Washington, March 15, 1951

Dairy Price Support Program Announced for Year Ahead:

Dairy price supports for the year beginning April 1, at levels needed to encourage adequate milk production to meet civilian and defense requirements, were announced today by the U.S. Department of Agriculture.

The program, which will follow the current support operations which are scheduled to end March 31, will support prices of manufacturing milk and butterfat at national average prices of about $3.60 per hundredweight for manufacturing milk of 3.95 percent butterfat (yearly average test) and 67.6 cents per pound for butterfat.

The announced support prices are equal to 87 percent of the parity equivalent price for manufacturing milk and 90 percent of parity for butterfat. (The parity equivalent price for manufacturing milk is 88.5 percent of the U.S. parity price for all milk sold by farmers at wholesale to plants and dealers.)

Price support for milk and butterfat is mandatory under the Agricultural Act of 1949 at the level, between 75 and 90 percent of parity, which is necessary to assure an adequate national supply. The program will support the price of all milk sold by farmers.

Commending on the dairy support program, Secretary of Agriculture Charles F. Brannan said, "It is extremely important that dairy production be continued at levels adequate to meet our civilian and defense needs. Milk and its products are fundamental in our food supply. A material decrease in production would be serious, not only for the present but also for the years immediately ahead. It takes time to build back dairy herds.

"Supports are needed to encourage this continued adequate production. Milk production in recent months has dropped below that of last year, and there are a number of factors which will tend to discourage production further during the coming year. These include less favorable prices for dairy products as compared with meat animals, and a tightening supply of skilled dairy farm labor, machinery and equipment.

"The supports we are announcing today are designed to help counteract these tendencies toward lower production. They are somewhat higher than those which have been in effect during the past year, partly due to the fact that parity itself is higher and partly because the support levels are a little higher in the 75 to 90 percent parity range.

"Price supports under the new program, which begins April 1, are at levels substantially below the legal minimum at which price ceilings could be set under the provisions of the Defense Production Act of 1950. The prices at which dairy product support purchases would be made under the program are also below the level of market prices for these commodities during recent months. As of February 16, the national average farm price for all milk sold at wholesale was 96 percent of parity."

In carrying out the support program, the Department will offer to make carlot purchases of dairy products in the United States, during the period, April 1, 1951, through March 31, 1952, at the following prices:

Butter, U.S. Grade A or higher	66 cents per lb.
Butter, U.S. Grade B	64 cents per lb.
Cheddar cheese, U.S. Grade A or higher	36 cents per lb.
Nonfat dry milk solids, spray type, U.S. Extra	15 cents per lb.
Nonfat dry milk solids, roller type, U.S. Extra	13 cents per lb.

Department officials say that if support action becomes necessary during the coming year, the action is expected to result in the same two-way benefits obtained under the 1949 and 1950 support programs. Under these programs, dairy farmers were given important price protection during months of heavy supply, while consumers were given the stabilizing effect of additional supplies for the market when prices were going up in an inflationary period. In addition, the support program helped maintain a safe level of production to the ultimate benefit of both dairy farmers and consumers.

Dairy products acquired by the Commodity Credit Corporation during earlier price support operations were made available on the market last fall when prices were going up. During the closing months of 1950, sales to the domestic trade nearly exhausted the CCC inventory of butter and cheese and greatly reduced its holdings of nonfat dry milk solids. At the present time, the small balance of CCC butter and cheese has been committed for sale, and holdings of nonfat dry milk solids have been reduced to 38 million pounds.

USDA 633-51

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Washington, March 19, 1952

Details of Dairy Price Support Program Announced:

Support prices and details of the dairy price support program for the coming year were announced today by the U.S. Department of Agriculture. The new program will become effective April 1 following the expiration of the current program.

Prices of manufacturing milk will be supported at $3.85 per hundred pounds and butterfat at 69.2 cents per pound. The manufacturing milk support price is based on 3.95 percent butterfat (yearly average test). These prices are equal to 90 percent of the estimated parity equivalent price of manufacturing milk and of the estimated parity price of butterfat both as of the beginning of the 1952-53 marketing year. The 90 percent level of support was announced with the 1952 Production Goals for Agriculture released last November. Today's announcement provides the dollars-and-cents levels of support and purchase prices to carry out the dairy support program. (The parity equivalent price for manufacturing milk is 88.5 percent of the U.S. parity price for all milk sold by farmers by wholesale to plants and dealers.)

In announcing the details of the program, Secretary of Agriculture Charles F. Brannan said, "The maintenance of milk production during the coming year is one of our important agricultural objectives. Milk cow numbers have been declining since the end of the war and, despite increased output per cow, production has not kept up with the needs of our increasing civilian population and defense program. Milk production in twelve of the last fifteen months has been below the level of a year earlier and the milk supply in the United States is now at a record low level.

"We are attacking the problem of declining milk production in a number of ways -- by increasing the 1952 production goals for feed grains necessary to high level milk production, by encouraging farmers to make greater use of grasslands and high quality hay and forage crops, and by assisting farmers in the use of artificial insemination services and other approved breeding and management practices -- to mention a few. The price support program will strengthen all of these efforts by assuring dairy farmers that increased milk production will not result in drastic price declines and losses of dairy farm income."

In carrying out the support program for the coming year, the Department will offer to make carlot purchases of dairy products in the United States during the period April 1, 1952, through March 31, 1953, at the following prices:

Butter:	U.S. Grade A or higher	67.75 cents per lb.
	U.S. Grade B	65.75 cents per lb.
Cheddar cheese:	U.S. Grade A or higher	38.25 cents per lb.
Nonfat dry milk solids:	Spray process	17.00 cents per lb.
	Roller process	15.00 cents per lb.

The Department's purchase specifications for nonfat dry milk solids have been changed under the new program. The product still must be U.S. Extra Grade, but the maximum allowable moisture content has been reduced to 3½ percent. The

present standard for U.S. Extra Grade nonfat dry milk solids permits 4 percent moisture and this standard, as used in commercial trade practice, has been followed under previous support programs. Experience under these programs has indicated that CCC must carry its inventory of dried milk considerably longer than is customary in commercial trade practice, and excess moisture has presented a disposal problem which is expected to be alleviated by this change.

In addition to the styles of Cheddar cheese purchased in the past, CCC also will consider offers of rindless block Cheddar cheese in film wrappers. Purchase specifications for this style of cheese will be issued soon in a new purchase announcement.

Department officials pointed out that the new support prices for milk and butterfat are below recent market levels and will not cause a general increase in consumer prices of dairy products. Consumers will be benefitted to the extent that the program maintains milk production. Also, any products which might be purchased under the program will be available for sale back into domestic trade channels and will help to stabilize market prices during periods of seasonally low production. The value of such sales was illustrated in 1950 and early 1951 when Commodity Credit Corporation sold back more than 140 million pounds of butter, and additional quantities of cheese and nonfat dry milk solids, into domestic trade channels, to the benefit of consumers during months of seasonally low production.

Because of the strong demand for dairy products during the past year, market prices were above support levels most of the year and very little support buying was necessary. CCC has no stocks of butter and cheese at the present time. As a result of additional sales of nonfat dry milk solids back into domestic trade channels during recent months, CCC stocks of this product have been reduced to less than 5 percent of the quantities purchased during the past three years under the price support program.

USDA 607-52

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Washington, February 27, 1953

Secretary Benson Announces 1953-54 Dairy Support Level:

Dairy product prices will be supported at 90 percent of parity for another year beginning April 1, according to the announcement made today by Secretary of Agriculture, Ezra Taft Benson.

This decision follows the recommendation of the Dairy Advisory Group, Congressional leaders, farm leaders, and others who have been consulted.

"A primary reason for continuing the maximum support allowed by the law," according to Secretary Benson, "was assurance from the dairy advisors that the industry would immediately start work on programs to reduce to a minimum governmental support purchases. The year will give the industry time to demonstrate to what degree it can solve its own problems.

"Here is one of the great agricultural industries," said Benson, "that has told us they want time to get programs into operation. We know the important dairy industry does not want to depend on government price supports. The farm and dairy leadership now has the opportunity to demonstrate what teamwork will accomplish."

A representative "work conference" including farmers and leaders of their organizations, processors, distributors, retailers, and consumers will be called together at once. Each segment of the dairy industry will be asked to send representatives prepared to assume definite responsibility for a portion of the solution of the dairy problems. Secretary Benson said, for example, "Dairy farmers can shift more rapidly to fluid milk sales and away from butterfat.

"Milk companies can move more milk from butter producing areas into regions needing fluid milk.

"Retail dairies, stores, and consumers can more actively promote the sale of milk and milk products.

"There are other adjustments which the industry can make to reduce the accumulation of surplus dairy products.

"The U.S. Department of Agriculture has offered to help and the assistance of the Agricultural Colleges, Experiment Stations, and Extension Services can be depended upon."

"Dairy farmers and dairy indsutry leadership has a major challenge," continued Secretary Benson. "We believe they will put the dairy business on a more solid basis -- with a minimum dependence on price supports. They have asked for time -- we have agreed. Now we will all pitch in to get the job done."

Such price support operations as are needed will be carried out through offers to purchase butter, cheese, and nonfat dry milk solids.

Purchases of butter will be made on a "basing point" method, using the four terminal markets of New York, Chicago, Seattle, and San Francisco, with appropriate differentials at other points in the country. This will be a change from the present policy under which butter has been purchased at a uniform price throughout the country.

The drop in the parity formula will reduce the butter price support about two cents per pound.

Program details, which otherwise will be generally comparable with those of present operations, will be announced by the Commodity Credit Corporation.

USDA 467-53

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Washington, March 12, 1953

USDA Announces Support Prices for Manufacturing Milk and Butterfat:

The U.S. Department of Agriculture today announced a support price of $3.74 per hundredweight for manufacturing milk testing 3.95 percent and 67.3 cents per pound for butterfat under the 1953-54 dairy price support program. These price levels, which are 3 percent below those of the current program, will be maintained on a national average basis through purchases of creamery butter, Cheddar cheese, and nonfat dry milk solids.

The prices are based on the 90 percent of parity dairy support level announced on February 27 by Secretary of Agriculture Ezra Taft Benson. In announcing this level for the coming year, Secretary Benson stated that the dairy industry gave assurance that a program would be worked out during the coming year to reduce government support purchases to a minimum.

In carrying out the program to maintain producer prices of milk and butterfat, the Commodity Credit Corporation will offer to purchase the three dairy products in carlot quantity during the period April 1, 1953, through March 31, 1954. A major change from the current program provides that purchases of butter will be made on a "basing point" method. The base prices will be at the terminal markets of New York, Chicago, Seattle, and San Francisco. The purchase price for butter at points other than the four markets will be at the price of the market named by the seller less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight from the offer point to the designated market. Purchase prices of cheese and nonfat dry milk solids will continue to be made at a uniform price throughout the United States as under previous programs.

Purchase prices for the three dairy products under the 1953-54 program follow:

Butter, U.S. Grade A or higher	Chicago	65.75 cents per lb.
	New York	66.50 cents per lb.
	San Francisco	66.75 cents per lb.
	Seattle	66.75 cents per lb.
Butter, U.S. Grade B	Chicago	63.75 cents per lb.
	New York	64.50 cents per lb.
	San Francisco	64.75 cents per lb.
	Seattle	64.75 cents per lb.
Cheddar cheese, U.S. Grade A or higher		37.00 cents per lb.
Nonfat dry milk solids, U.S. Extra Grade		
	Spray	16.00 cents per lb.
	Roller	14.00 cents per lb.

Purchase prices under the current program are 67.75 cents per pound for Grade A creamery butter, 65.75 for Grade B butter, 38.25 for Grade A Cheddar cheese, and 17 cents per pound for spray and 15 cents for roller process U.S. Extra Grade nonfat dry milk solids.

The 1953-54 support prices of $3.74 per hundredweight of manufacturing milk and 67.3 cents per pound of butterfat are based on 90 percent of the February 15 parity. Because the parity index has declined during the past year, the new support prices are three percent below current support prices of $3.85 for manufacturing milk and 69.2 cents for butterfat.

Market prices of dairy products during recent weeks have been near current support purchase prices. Purchases under the current program through March 6, 1953, amounted to 101,436,101 pounds of butter, 35,719,992 pounds of Cheddar cheese, and 139,846,967 pounds of nonfat dry milk solids, both spray and roller process. The program, announced today, provides for declines in support purchase prices of about 2 cents per pound of butter, 1.25 cents per pound of Cheddar cheese, and 1 cent per pound of nonfat dry milk solids.

Purchase announcements detailing terms and conditions of purchase and other operating information will be available to the industry soon.

USDA 597-53

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Washington, February 15, 1954

USDA Announces 1954-55 Dairy Support Level at 75 Percent of Parity;
Secretary Benson Urges Increased Consumption of Dairy Products:

Secretary of Agriculture Ezra Taft Benson today announced that during the marketing year beginning April 1, 1954, the prices of milk for manufacture and butterfat sold by farmers will be supported at 75 percent of parity.

This decision was reached after lengthy discussions with farm leaders, dairy organizations, congressional leaders and others who have been consulted.

Under the Agricultural Act of 1949 the Secretary of Agriculture must support dairy prices at a level between 75 and 90 percent of parity, the level of support to be whatever the Secretary "determines necessary in order to assure an adequate supply."

When the price support level of 90 percent on milk and butterfat was announced a year ago, the Commodity Credit Corporation inventory of butter, cheese, and nonfat dry milk solids was equivalent to approximately 1.44 billion pounds of whole milk or about 1.2 percent of the milk production during the 1952-53 marketing year. CCC stocks of dairy products were relatively low. Production of milk and butterfat had been about equal to demand during the previous four years when prices of milk and butterfat had been supported. The outlook for milk production for the 1953-54 marketing year was uncertain.

Among the factors that affected production during the past year were a repetition of mild weather which brought abundant pastures and increased off-season dairy production. In addition drought forced beef cattle sales and a drop in prices which resulted in the holding in northern areas of cows which otherwise would have been culled from dairy herds.

The best current estimates indicate that production during the 1953-54 marketing year will reach about 122 billion pounds, an increase of about 5 billion pounds over the 1952-53 year. CCC stocks now on hand represent the equivalent of more than 8 billion pounds of whole milk, compared with 1.44 billion pounds a year ago. This 8 billion pounds is over 6 percent of the year's production.

Since production of dairy products during the past year has been more than adequate and the outlook for this year's production is good, Secretary Benson therefore has set the support level at 75 percent of parity.

Recent inspection indicates that government-held stocks of dairy products remain in good condition. Studies for increased utilization of these stocks are progressing and it is hoped that an announcement can be made in the near future.

Inclusion of some dairy products in the $2.5 billion set-aside proposed in President Eisenhower's farm program message is also under consideration.

Secretary Benson today stated: "The immediate problems of the dairy industry should be attached through increased consumption of dairy products. The Department of Agriculture will continue and emphasize its programs to assist the dairy industry in its current campaign to increase sales of dairy products."

He explained that if our full dietary needs were met, there would be no surplus of milk and dairy products. From the individual's standpoint, milk provides many of the most important human nutrients. It sustains life for the Nation's babies and extends life for its older citizens. It is food and beverage for young and old alike.

Because of the many important dietary needs supplied by milk, it provides consumers with a relatively inexpensive food. Milk is the most important single source of calcium in our diet, yet this near-perfect food also supplies protein, riboflavin, thiamine, vitamin A and other body-building essentials.

For the sake of the physical strength of the Nation, consumption of milk and dairy products must continue to grow. Use of milk must be pushed into areas where diets are deficient. These deficiencies exist in both metropolitan and rural areas. Here lies the real challenge in the dairy industry. The industry has already shown by special campaigns in test areas that milk consumption can be increased.

USDA 412-54

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Washington, February 18, 1954

USDA Announces 1954-55 Support Prices for Manufacturing Milk and Butterfat:

The U.S. Department of Agriculture today announced a support price of $3.14 per hundredweight for manufacturing milk testing 3.95 percent butterfat and 56 cents per pound for butterfat under the 1954-55 dairy price support program. The support prices are based on the 75 percent of parity support level announced by Secretary of Agriculture Ezra Taft Benson on February 15. This compares with 90 percent for the 1953-54 marketing year.

In carrying out the program to support prices of milk and butterfat sold by farmers, the Commodity Credit Corporation will offer to purchase butter, Cheddar cheese, and nonfat dry milk solids in carlot quantity during the period April 1, 1954, through March 31, 1955. The 1954-55 support prices for manufacturing milk and butterfat reflect 75 percent of the parity equivalent for manufacturing milk and the parity price for butterfat. (The support price for manufacturing milk for the 1954-55 marketing year is based on 88.5 percent of the parity price for all milk.)

Purchase prices for the three dairy products under the 1954-55 program:

Butter, U.S. Grade A or higher	Chicago	57½ cents per lb.
	San Francisco	57½ cents per lb.
	Seattle	57½ cents per lb.
	New York	58¼ cents per lb.
Butter, U.S. Grade B	Chicago	55½ cents per lb.
	San Francisco	55½ cents per lb.
	Seattle	55½ cents per lb.
	New York	56¼ cents per lb.
Cheddar cheese, U.S. Grade A or higher		32¼ cents per lb.
Nonfat dry milk solids, U.S. Extra Grade		
	Spray process	15 cents per lb.
	Roller process	13¼ cents per lb.

The CCC will continue to buy at present purchase prices (which were announced March 12, 1953) through March 31, 1954. These prices are: U.S. Grade A butter or higher - New York, 66.50 cents per pound; Chicago, 65.75 cents per pound; San Francisco and Seattle, 66.75 cents per pound; with U.S. Grade B two cents less; Cheddar cheese - 37 cents per pound; and nonfat dry milk 16 cents for spray process and 14 cents for roller process.

The "basing point" method of purchasing butter will be continued. Purchase prices of cheese and nonfat dry milk solids will continue to be on a uniform basis throughout the United States as under previous programs. On recommendation of the industry, and particularly producer groups, the spread between the purchase prices for spray and roller process nonfat dry milk solids has been decreased to 1 3/4 cents per pound from 2 cents per pound under previous programs. In providing the same base price for butter at Seattle and San Francisco as for Chicago, USDA is following the recommendation of dairy producer groups who requested the change because of amply supplies of butter in the western area.

The reduction in the dairy support level for the coming year will result in decreases in the purchase price of 8¼ cents per pound for butter, 4 3/4 cents per pound for cheese, 1 cent per pound for spray and 3/4 cent per pound for roller nonfat dry milk solids. Support prices for manufacturing milk and butterfat of $3.14 per hundredweight and 56 cents per pound for the coming year compare with $3.74 per hundredweight for manufacturing milk and 67.3 cents per pound for butterfat under the current program.

Increased production of milk during the past year has resulted in large purchases of the three dairy products under the current support operation. Purchases through February 15 amounted to 277 million pounds of butter, 260 million pounds of Cheddar cheese, and 512 million pounds of nonfat dry milk solids. USDA stocks as of February 15 include 271 million pounds of butter, 282 million pounds of Cheddar cheese, and 470 million pounds of nonfat dry milk solids. Every effort has been made to utilize USDA-owned dairy products through Section 32 to school lunches and other outlets, through Section 416 as donations to needy people mostly abroad, negotiated export sales, sales to the U.S. Army, and sales into domestic trade channels.

Through February 15, 1954, about 35 percent of the butter and nonfat dry milk solids and 15 percent of the Cheddar cheese purchased during the two marketing years 1952-53 and 1953-54, had been utilized.

Purchase announcements detailing terms and conditions of purchases and other operating information, which will be similar to current program operations, will be made available to the industry soon.

USDA 457-54

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Washington, July 7, 1954

CCC Increases Purchase Prices of Cheese and Nonfat Dry Milk Under Dairy Price Support Program:

The U.S. Department of Agriculture today announced increases of one cent per pound in its purchase prices of Cheddar cheese and nonfat dry milk solids under the milk and butterfat price support program. This action became necessary because the average price received by producers for manufacturing milk recently has been below the legal minimum of 75 percent of the parity equivalent price. The new purchase prices will be effective July 12. The new purchase prices are: Cheddar cheese - 33.25 cents per pound; nonfat dry milk solids - spray process, 16 cents per pound; roller process, 14.25 cents.

Processors are expected to pass on to dairy farmers the entire amount of the increase.

The Agricultural Act of 1949 requires that the milk and butterfat price support shall be carried out by loans on, or purchase of, their products. The purchase prices of dairy products that would reflect the average support level to producers for milk and butterfat have been estimated on the basis of price relationship in recent years. The spread between the prices paid farmers for manufacturing milk and the prices received by processors in recent months has been wider than was anticipated. Also the support level is slightly higher than that announced last February because of the parity index increased slightly in March.

The program aims to support the general level of manufacturing milk and butterfat prices so that the national average prices paid producers will equal $3.15 and 56 cents, respectively. The program does not guarantee that every producer will receive such prices. There normally are substantial ranges in prices paid that

are related to such factors as location, use, quality, competition, and volume and efficiency of plant operations. The program does not change this situation.

The Agricultural Act of 1949 requires the support of prices to producers for milk and butterfat at such level from 75 to 90 percent of parity as is necessary to assure an adequate supply. Because of the increase in milk production, large purchases and mounting stocks of dairy products, the support level was set at 75 percent of parity for the marketing year beginning April 1, 1954.

The Act provides that the support level shall be based on parity data as of the beginning of the marketing year. Support prices of $3.14 cents per hundred pounds for manufacturing milk and 56 cents per pound for butterfat in farm-separated cream were announced on February 18 based on the latest parity index of 282 available at that time. The parity index increased to 283 in March, however, and on that basis the revised legal minimum support level for the 1954-55 marketing year is $3.15 per hundred pounds of manufacturing milk (of yearly average butterfat test of 3.95 percent) and 56.2 cents per pound for butterfat in farm-separated cream. The U.S. average price received by producers for manufacturing milk, adjusted for seasonal variation in butterfat test to a 3.95 percent basis, was below $3.15 by 5 cents in April, 10 cents in May and 13 cents in June. The U.S. average price of butterfat was 56.8 cents in April, 56.2 cents in May and 55.9 cents in June.

With the strenghtening influence of seasonal declining dairy production from now until early winter there is reasonable prospect that the price of butterfat will equal the support level during the remainder of the marketing year. Therefore, the present CCC purchase prices of butter, on which butterfat prices are based, are being continued. The increase in purchase prices of cheese and nonfat dry milk solids is aimed at strengthening the price of manufacturing milk.

USDA 1743-54

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For Release at 12 Noon, EST., Jan. 13, 1955 Washington, January 13, 1955

Secretary Benson Continues Current Dairy Support Prices for Another Year:

Secretary of Agriculture Ezra Taft Benson today announced that current dollars-and-cents support prices for manufacturing milk and butterfat and current buying prices for butter, Cheddar cheese, and nonfat dry milk will be continued through the 1955-56 dairy marketing year which begins on April 1.

The support prices are being continued at $3.15 per hundredweight for manufacturing milk and 56.2 cents per pound for butterfat. These are an estimated 80 percent of the modernized parity equivalent price for manufacturing milk and 77 percent of the parity price for butterfat, both as of early 1955. These same dollars-and-cents prices represent a higher percentage-of-parity for the 1955-56 marketing year than the current 75 percent level, because of a reduction in the parity index and a modernizing change in the method in effect for calculating the equivalent parity price for manufacturing milk which was announced in April 1954.

Dairy product purchase prices set to reflect national average support prices for manufacturing milk and butterfat will be continued as follows:

Butter, U.S. Grade A or higher	Chicago, San Francisco, Seattle	57½¢ per lb.
	New York	58¼¢ per lb.
(U.S. Grade B butter is 2 cents less per pound.)		
Cheddar cheese, U.S. Grade A or higher		33¼¢ per lb.
Nonfat dry milk solids, U.S. Extra Grade,	Spray process	16¢ per lb.
	Roller process	14¼¢ per lb.

Secretary Benson said, "We are beginning to realize the objective set a year ago of balancing milk production with the consumption of dairy products. In December, our support purchases were the lowest in two years. Milk production has leveled off. There have been many indications, during the latter part of 1954, of increased consumption of dairy products. During recent weeks, we have observed more strength and stability in our dairy markets than in a good many months. Under such conditions, with dairy supports at the same level for another year, we should move even closer to our goal.

"By making this announcement now, all uncertainty about dairy support prices for another year is removed. Producers can better make their production plans for the future. Processors can keep the pipelines to consumers full of dairy products knowing that no severe inventory adjustment in March will be needed as a result of changing support prices.

"While support purchases in 1954 were high, largely as a result of extremely heavy purchasing during the first three months of the year, we find our current inventory position most encouraging. The quantities held by the Commodity Credit Corporation are well below the record levels earlier in the year. We are enjoying marked success in broadening our outlets for these dairy products.

"But of course this is not the permanent solution to our dairy surplus problem. We must continue to utilize every possible means to expand consumer use of these products, both for the sake of the dairy industry and to provide our people with added amounts of highly healthful and nutritious dairy foods.

"I have been greatly encouraged by the magnificent manner in which all parts of the dairy industry have responded to the nation-wide effort to promote dairy products to help increase consumption. This has played a great part in the success of the past year. I urge that we do not relax our efforts but redouble them during the coming months."

Department officials explained that while support prices for the 1955-56 marketing year will be the same as for the current year coming to an end on March 31, they will represent a higher percent of the parity prices for butterfat and manufacturing milk than for the current year. This results from a decrease in the parity index and from a modernized method of calculating the parity equivalent for manufacturing milk.

USDA 86-55

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Washington, February 14, 1956

For 5:30 p.m. Release

Secretary Benson Continues Current Dairy Support Prices for Another Year:

Secretary of Agriculture Ezra Taft Benson today announced that current dollars-and-cents support prices for manufacturing milk and butterfat and current buying prices for butter, Cheddar cheese, and nonfat dry milk will be continued through the 1956-57 dairy marketing year which begins on April 1.

The support prices are being continued at $3.15 per hundredweight for manufacturing milk and 56.2 cents per pound for butterfat. These are an estimated 82 percent of the parity equivalent price for manufacturing milk and 78 percent of the parity price for butterfat, as of early 1956. These same dollars-and-cents prices represent a higher percentage-of-parity for the 1956-57 marketing year than the current 80 and 76 percent levels, because of decreases in the parity prices since a year ago.

Dairy product purchase prices, set to reflect national average support prices for manufacturing milk and butterfat, will be continued as follows:

Butter, U.S. Grade A or higher	Chicago, San Francisco, Seattle	57½¢ per lb.
	New York	58¼¢ per lb.
(U.S. Grade B butter is 2 cents less per pound)		
Cheddar cheese, U.S. Grade A or higher		33¼¢ per lb.
Nonfat dry milk solids, U.S. Extra Grade,	Spray process	16¢ per lb.
	Roller process	14¼¢ per lb.

USDA 494-56

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Washington, March 30, 1956

Acting Secretary Morse Announces Increase in Cheese Price Under Support Program:

Acting Secretary of Agriculture True D. Morse today announced that the purchase price for Cheddar cheese under the dairy price support program for the 1956-57 marketing year which begins April 1 is being raised 3/4 of a cent to 34 cents per pound. This price increase will apply only to cheese produced on or after April 1, 1956.

More recent information since February 14, when the dairy price support program for the coming marketing year was announced, indicates that cheese processors are faced with increased costs because of reduced outlets for whey. If the support purchase price were not raised, this increased processing cost might be passed back to producers in the form of lower buying prices for manufacturing milk. The increase in the cheese buying price will enable processors to maintain their purchasing prices for producers' milk in line with the support price of $3.15 per hundredweight for manufacturing milk.

Dairy product purchase prices, set to reflect national average support prices for manufacturing milk and butterfat, for the program beginning April 1 are as follows:

Butter, U.S. Grade A or higher	Chicago, San Francisco, Seattle	$57\frac{1}{2}$¢ per lb.
	New York	$58\frac{1}{4}$¢ per lb.
(U.S. Grade B butter is 2 cents less per pound)		
Cheddar cheese, U.S. Grade A or higher		34¢ per lb.
Nonfat dry milk solids, U.S. Extra Grade,	Spray process	16¢ per lb.
	Roller process	$14\frac{1}{4}$¢ per lb.

USDA 933-56

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Washington, April 18, 1956

Secretary Benson Announces Dairy Support Increases Following President's Statement:

Secretary of Agriculture Ezra Taft Benson today increased dairy support prices to 58.6 cents per pound of butterfat and $3.25 per hundred pounds of manufacturing milk for the 1956-57 dairy marketing year which runs through March 31, 1957. This follows the President's statement on Monday, April 16, that prompt administrative action would be taken to improve farm income, with the supports for manufacturing milk and butterfat raised to these levels.

In order to carry out the dairy support increases, Commodity Credit Corporation's buying prices are upped immediately by two cents per pound on butter and one cent per pound on cheese, for products produced on or after April 1, 1956. These increased buying prices will enable processors to increase prices paid to producers by 10 cents per hundred pounds of manufacturing milk, and 2.4 cents per pound of butterfat. Purchase prices of nonfat dry milk solids are not being changed.

The change in buying prices also increases the CCC domestic selling price for butter and Cheddar cheese by two cents and one cent per pound, respectively.

The support prices are increased from $3.15 to $3.25 per hundred pounds of manufacturing milk and from 56.2 to 58.6 cents per pound of butterfat in farm-separated cream. The new support prices represent 84 percent of the parity equivalent price of manufacturing milk and 81 percent of the parity price for butterfat, as of March 15, 1956. The former prices represented 82 percent of parity equivalent price for manufacturing milk and 78 percent of parity for butterfat, as of early 1956.

The new and former dairy price support buying prices follow:

	Former	New
Butter - U.S. Grade A or higher		
Chicago, San Francisco, Seattle	$57\frac{1}{2}$¢ per lb.	$59\frac{1}{2}$¢ per lb.
New York	$58\frac{1}{4}$¢ per lb.	$60\frac{1}{4}$¢ per lb.
(U.S. Grade B butter is two cents less per pound)		
Cheddar Cheese - U.S. Grade A or higher	34¢ per lb.	35¢ per lb.

Nonfat Dry Milk Solids - U.S. Extra Grade		
Spray process	16¢ per lb.	no change
Roller process	14¼¢ per lb.	no change

Butter and cheese produced on or after April 1, 1956, will be purchased at the new prices. However, any butter produced prior to that date will be purchased at the former price listed above, and cheese produced prior to that date will be purchased at 33¼ cents per pound, the announced buying price prior to April.

Following are the new domestic sales prices for butter and cheese, which modify the CCC Monthly Sales List for April 1956, as announced on March 30:

Butter	DOMESTIC	
(in carloads only)	63.25	cents per pound for N. Y., N. J., Pa., New England and other States bordering the Atlantic Ocean and Gulf of Mexico.
	62.50	cents per pound for all other States
Cheddar Cheese	DOMESTIC:	
Cheddars, flats, twins, and rindless blocks (Standard Moisture basis in carloads only) 220 Million lbs.	38	cents per pound for N. Y., N. J., Pa., New England, and other States bordering the Atlantic and Pacific Oceans and Gulf of Mexico
	37	cents per pound for all other States.

Domestic sales prices for nonfat dry milk solids are not changed.

Export sales prices and sales price for special uses are also not changed, because export prices are based on world price levels and not on CCC's buying prices.

USDA 1112-56

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Washington, February 9, 1957

USDA Continues Current Dairy Support Prices for Another Year:

The U.S. Department of Agriculture today announced that current dollars-and-cents support prices for manufacturing milk will be continued at the present $3.25 per hundredweight for manufacturing milk (3.95 butterfat test) and 58.6 cents per pound for butterfat through the 1957-58 dairy marketing year which beings on April 1.

These support prices are an estimated 83 percent of the parity equivalent price for manufacturing milk and 80 percent of the parity price for butterfat as of early 1957. Because of increases in the parity prices since a year ago, the same dollars-and cents represent slightly lower percentage-of-parity for the 1957-58 marketing year than the current 84 and 81 percent levels.

The buying prices for butter, which are set to reflect the support price for butterfat, will be slightly higher per pound after March 31. This change is needed to assure an average price to producers for butterfat fully equal to the support price during the coming heavy-producing summer months. Revisions have also been made in the area buying prices of butter to bring them more nearly in line with the market price structure. Specific area buying prices will be in effect for the deficit butter-producing areas of the northeast, south, southwest, and California. Specific prices will continue to apply to metropolitan New York, Seattle, and San Francisco as designated markets. To eliminate minor inconsistencies in present butter buying prices at midwestern points, Chicago will be discontinued as a designated market. Buying prices at points other than those for which specific prices are announced will continue to be the price at the designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic carload rail freight rates in effect on February 1, 1957, from the point to the designated market.

The 1957-58 buying price for Cheddar cheese is the same as for the current program.

The buying price for spray nonfat dry milk also is unchanged. The buying price for roller nonfat dry milk will be lowered 1/4 cent per pound because of the downward trend in production and use of this product.

Dairy product purchase prices, set to reflect the national average support prices for manufacturing milk and butterfat will be as follows, effective April 1:

	1956-57 Buying Price	1957-58 Buying Price
	-- per pound --	
Butter:		
U.S. Grade A or higher:		
New York, N. Y., & Jersey City & Newark, N. J.	60¼¢	60.5¢
Seattle, Wash., & San Francisco, Calif.	59½¢	59.75¢
California	(Designated	59.75¢
Conn., Rhode Island, Mass., Vt., New Hampshire, Maine	(market	60.5¢
Ariz., N. Mex., Texas, Louisiana	(price less	59.25¢
Miss., Ala., Georgia, Fla., S. Carolina	(freight	59.5¢
	(factor	
U.S. Grade B: 2 cents per pound less than the U.S. Grade A price.		
Cheddar cheese:		
U.S. Grade A or higher, standard moisture basis	35¢	35¢
Nonfat Dry Milk:		
Spray process: Barrels and drums	16¢	16¢
Bags	15.15¢	15.15¢
Roller process: Barrels and drums	14¼¢	14¢
Bags	13.4¢	13.15¢

In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture, and have a direct microscopic clump bacteria count of not more than 300 million per gram as determined by USDA laboratory test.

Grade B butter and roller nonfat dry milk will continue to be purchased during the 1957-58 marketing year. Consideration will be given to discontinuing purchases of these products after March 1958.

The 1957-58 support price of $3.25 per hundredweight is for manufacturing milk of a test equal to the national and yearly average butterfat test, which in recent years has approximated 3.95 percent. A corresponding price for manufacturing milk of 3.5 percent butterfat test (computed in direct ratio to butterfat content) would be $2.88 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk.

USDA 468-57

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Washington, March 28, 1957

USDA Sets Chicago Buying Price for Butter Under 1957-58 Dairy Price Support Program:

The U.S. Department of Agriculture today announced that a buying price of 59.5 cents per pound for U.S. Grade A butter in Chicago will be included in the 1957-58 dairy price support program which begins April 1, 1957. The price for U.S. Grade B butter will be 2 cents less or 57.5 cents per pound.

These prices are the same as those in effect for Chicago under the current dairy support program which ends March 31.

In announcing the dairy price support program for the coming marketing year (USDA Release 468-57, dated February 9) the USDA stated that Chicago would be discontinued as a basing point for determining butter purchase prices and that prices at midwestern locations including Chicago would be based on prices at one of three designated markets - New York, Seattle, or San Francisco - less 80 percent of the rail freight from point of purchase to the market.

Further study indicates that determining the Chicago purchase prices on the basis of the New York price of 60.5 cents per pound would result in a decrease of 1/10 of a cent per pound in the support buying prices at Chicago after March 31 as compared with current buying prices, and that this decrease would be reflected back to producers in lower prices for butterfat. To prevent such a decline in producer prices and to maintain the national average support price of 58.6 cents per pound for butterfat announced for the coming marketing year (the same as for the current program) the buying prices for Chicago announced today are being included in the new program.

The decision announced February 9 to discontinue Chicago as a basing point for determining support buying prices at other locations is not being modified. This decision was made because in some Midwestern locations different buying prices were possible when different locations were used as basing points. Buying prices for

butter at midwestern points other than Chicago will be priced under the 1957-58 support operation on the basis of prices, primarily at New York, but possibly also at either Seattle or San Francisco, less 80 percent of the rail freight rate from such points to those cities.

USDA 1005-57

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Washington, December 18, 1957

Dairy Price Supports to be at 75 Percent of Parity for 1958-59 Marketing Year:

Secretary of Agriculture Ezra Taft Benson today announced that dairy price supports for the marketing year which begins April 1, 1958, will be at levels which reflect 75 percent of the parity price of manufacturing milk and butterfat at the beginning of the marketing year. This announcement is being made well in advance so that adjustments and milk promotion plans can be underway by the start of the new marketing year.

Dairy price supports are mandatory under the controlling legislation, within a range of 75 to 90 percent of parity. The Secretary of Agriculture is required by law to determine, within this range, the level "necessary in order to assure an adequate supply."

Commenting on the announcement about next year's supports, Secretary Benson said, "Careful study of the whole dairy situation, including discussion with industry representatives and advisory committees, indicates that adjusting supports to the 75 percent level will be in the best interests of the dairy industry.

"While these necessary adjustments are being made, we will assist the dairy industry in every sound way we can.

"We will continue to cooperate fully with the industry in promotion and merchandising programs. The Extension Service and other agencies of the Department will join with the dairy industry in stepped-up efforts to acquaint the consuming public with facts about milk as a health food.

"We will urge authorization for continuance of special school, military service, and veterans milk programs.

"We will continue the nation-wide brucellosis clean-up, which has made such excellent progress during the past year under the accelerated program.

"We will carry out field educational efforts aimed at sound programs to cull low producers from the nation's dairy herds -- as part of generally increased efficiency in dairy farm operations. The fact that beef prices are good now will help in cases where dairymen want to sell their more unprofitable animals.

"The dairy industry is basically in a sound position. There is a strong demand for milk, and it will be even stronger with price adjustments.

"Cash receipts from the sale of dairy products in 1957 are increasing to a new record high of around 4 billion 600 million dollars.

"The population is increasing steadily, providing new customers each year.

"The price support adjustments for next year will put dairymen in a better position to take full advantage of the opportunities which lie ahead. They will be able to put greater dependence upon normal marketing, to meet consumer demand -- and less on artificial and uncertain government programs."

"It has now been more than 12 years since the end of World War II. There has been extended opportunity for producers to make the adjustments which were visualized when supports were pegged at high levels for the war and immediate post-war periods.

"However, dairy production continues to outrun the effective market at current price levels. For the first 8 months of this marketing year, Commodity Credit Corporation purchases of dairy products for price support were about 800 million pounds, in milk equivalent, above the same period a year ago. This is an increase of 20 percent. For the year as a whole, it is now estimated that CCC will be forced to buy about 6 million pounds of milk equivalent. This will be about 5 percent of all milk production, as compared with 4 percent last year.

"Through vigorous disposal programs we have been able to avoid serious inventory build-up of dairy products, but the cost has been heavy. During the 1956-57 fiscal year which wnded last June 30, the cost to the Federal government of programs primarily for the stabilization of dairy prices and incomes was 379 million dollars.

"Up to the middle of December in the current marketing year, CCC has been required to buy more butter and cheese than it did during the same period last year, and purchases of nonfat dry milk have fallen off only slightly.

"There are record supplies of feed grains this year, and prices are lower. The feed situation could be a stimulus for continued or expanded milk production in the period ahead. All indications are that we will surely have the 'adequate supply' Congress has set as a goal in the controlling legislation.

"Under the circumstances, there was little choice when it came to price support levels for next year. The adjustments are needed. They will encourage greater consumption of dairy products. They will provide less incentive for excessive production. Market prices should be at more competitive levels.

"Consumers have every reason to expect that the producer price adjustments will be reflected in lower retail prices. The downward adjustments are the equivalent on the average of about two and one-half cents a pound for butter, two and one-half cents a pound for cheese, and one-half cent a quart for fluid milk.

"We are hopeful that the adjustment announced today will help producers regain some of their lost butter markets."

During the current year, dairy supports are available at $3.25 a hundredweight for manufacturing milk (reflecting 83 percent of parity), and at 58.6 cents per pound for butterfat (reflecting 80 percent of parity).

The dollars-and-cents level of support for butter, cheese, and nonfat dry milk during 1958-59 will be announced before the start of the marketing year next April 1.

USDA 3728-57

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Washington, March 21, 1958

USDA Announces Support Prices for Milk and Butterfat for 1958-59 Marketing Year:

The U.S. Department of Agriculture today announced estimated national average support prices of $3.03 per hundredweight for manufacturing milk and 56.2 cents per pound for butterfat for the 1958-59 marketing year.

The dairy support level for the coming marketing year will be 75 percent of parity as announced Dec. 18 (USDA Release 3728-57). The estimated support prices announced today reflect 75 percent of the March parity prices (announced Feb. 28). If 75 percent of parity prices for these two commodities as of April 1, 1958, the beginning of the dairy marketing year, indicates higher prices, the support prices will be increased. The parity prices as of April 1 will be published in Agricultural Prices on March 28.

In carrying out the program to support prices of milk and butterfat sold by farmers, the USDA will offer to purchase butter, cheddar cheese, and nonfat dry milk in carlot quantity. Purchase prices for cheese and nonfat dry milk are being established on a national basis as in past years. The persent method of determining CCC buying prices for butter at different locations is being continued. Butter buying prices are specified for certain geographical locations and for three designated markets: New York, Seattle, and San Francisco. The price of butter at any other point will be the price at a designated market named by the seller, less 80 percent of the lowest freight rate per pound effective at the time of the offer from the seller's point to the designated market. A list of purchase prices follows in this release.

During the current year (1957-58), dairy supports are available at $3.25 a hundredweight for manufacturing milk (reflecting 82 percent of the parity equivalent price as of the beginning of the marketing year) and at 58.6 cents per pound for butterfat (reflecting 79 percent of parity as of the beginning of the marketing year).

Buying prices for the 1958-59 marketing year are lower by 2 cents per pound for butter, 2-1/2 cents per pound for cheese, and 2 cents per pound for nonfat dry milk than buying prices for the current marketing year.

The USDA will offer to buy dairy products at the following prices during the April 1, 1958 - March 31, 1959 period compared with the following prices for the current marketing year:

	1958-59 Buying Price	1957-58 Buying Price
	-- per pound --	
Butter:		
U.S. Grade A or Higher		
New York, N.Y., and Jersey City and Newark, N.J.	58.50¢	60.50¢
Seattle, Wash., San Francisco, Calif., and California	57.75¢	59.75¢

Chicago, Ill.	57.50¢	59.50¢
Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire & Maine	58.50¢	60.50¢
Arizona, New Mexico, Texas, Louisiana Mississippi, Alabama, Georgia, Florida, and South Carolina	57.50¢	(Arizona, New Mexico, (and Texas - 59¼¢ ((Other States in (this group - 59½¢
U.S. Grade B: 2 cents per pound less than the price for U.S. Grade A or higher		

Cheddar Cheese:

U.S. Grade A or higher, standard moisture basis	32.50¢	35.00¢

Nonfat Dry Milk:

U.S. Extra Grade or Higher

Spray process		
in barrels and drums	14.00¢	16.00¢
in bags	13.15¢	15.15¢
Roller process		
in barrels and drums	12.00¢	14.00¢
in bags	11.15¢	13.15¢

In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture, and have a direct microscopic clump bacteria count of more than 300 million per gram as determined by USDA laboratory test.

The manufacturing milk support price is based on the parity equivalent price for manufacturing milk, which for 1958 is 81.2 percent of the parity price for all milk. The 1958-59 support price of $3.03 per hundredweight is for manufacturing milk of the national yearly average butterfat test, which in recent years has approximated 3.9 percent. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be $2.72 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk.)

USDA 796-58

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Washington, March 31, 1958

Support Price for Milk and Butterfat Increased Because of Higher Parity Prices:

The U.S. Department of Agriculture today announced that the national average dairy support prices for the 1958-59 marketing year will be increased to $3.06

per hundredweight for manufacturing milk and 56.6 cents per pound for butterfat because 75 percent of dairy parity prices at the beginning of the marketing year reflects higher prices than the estimated support announced March 21.

Prices for purchases of butter, cheese, and nonfat dry milk to carry out dairy price support are being upped 1/4 cent per pound as a result of the support price increases.

The Department, in announcing on March 21 (press release USDA 796-58) estimated support prices, stated that if 75 percent of parity prices for these two commodities as of April 1 indicated higher prices, the support prices would be increased. The April parity prices (announced March 28) indicate increases of 3 cents per hundredweight for manufacturing milk and .4 of a cent per pound for butterfat from the estimated prices of $3.03 per hundredweight for manufacturing milk and 56.2 cents per pound for butterfat, which were based on March parity prices (announced Feb. 28).

The April 1958 parity equivalent price for manufacturing milk is $4.08 per hundredweight and the April parity price for butterfat is 75.4 cents per pound. These compare to the March 1958 parity equivalent price for manufacturing milk of $4.04 per hundredweight and the March parity price for butterfat of 74.9 cents per pound.

The dairy support level for the 1958-59 marketing year was announced at 75 percent of parity on December 18 (press release USDA 3728-57).

As announced March 21, USDA will offer to buy butter, Cheddar cheese, and nonfat dry milk in carlot quantities in carrying out the program to support prices of milk and butterfat sold by farmers. Purchase prices for cheese and nonfat dry milk are being established on a national basis as in past years. The present method of determining buying prices for butter at different locations is being continued. Butter buying prices are specified for certain geographical locations and for three designated markets: New York, San Francisco, and Seattle. The price of butter at any other point will be the price at a designated market named by the seller, less 80 percent of the lowest carlot rail freight rate per pound effective at the time of the offer from the seller's point to the designated market. A list of purchase prices follows in this release.

During the 1957-58 marketing year, dairy supports were $3.25 per hundreweight for manufacturing milk (reflecting 82 percent of the parity equivalent as of the beginning of the marketing year) and 58.6 cents per pound for butterfat (reflecting 79 percent of parity as of the beginning of the marketing year).

Buying prices for the 1958-59 marketing year are lower by 1 3/4 cents per pound for butter, 2 1/4 cents per pound for cheese, and 1 3/4 cents per pound for nonfat dry milk than buying prices for the past marketing year.

Dairy buying prices for the April 1, 1958 - March 31, 1959 period, reflecting increases of 1/4 cent per pound from previously announced estimated buying prices, compared with prices for the current marketing year follows:

	1958-59 Buying Price	1957-58 Buying Price
	-- per pound --	
Butter:		
U.S. Grade A or Higher		
New York, N. Y., and Jersey City and Newark, N. J.	58.75¢	60.50¢
Seattle, Wash., San Francisco, Calif., and Calif.	58.00¢	59.75¢
Chicago, Ill.	57.75¢	59.50¢
Conn., R. I., Mass., Vt., N.H., & Maine	58.75¢	60.50¢
Ariz., N.M., Tex., La., Miss., Ala., Ga., Fla., and S.C.	57.75¢	(Ariz., N.M., (and Tex. - 59.25¢ ((Other States in (this group - 59.50¢
U.S. Grade B: 2 cents per pound less than the price for U.S. Grade A or higher		
Cheddar Cheese		
U.S. Grade A or higher, standard moisture basis	32.75¢	35.00¢
Nonfat Dry Milk		
U.S. Extra Grade or Higher		
Spray process		
in barrels and drums	14.25¢	16.00¢
in bags	13.40¢	15.15¢
Roller process		
in barrels and drums	12.25¢	14.00¢
in bags	11.40¢	13.15¢

In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture, and have a direct microscopic clump bacteria count of not more than 300 million per gram as determined by USDA laboratory test.

The manufacturing milk support price is based on the parity equivalent price for manufacturing milk, which for 1958 is 81.2 percent of the parity price for all milk. The 1958-59 support price of $3.06 per hundredweight is for manufacturing milk of the national yearly average butterfat test, which in recent years has approximated 3.9 percent. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be $2.75 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk.)

USDA 883-58

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Washington, March 12, 1959

USDA Continues Current Dairy Support Prices for Another Year:

The U.S. Department of Agriculture today announced that current dollars-and-cents support prices for manufacturing milk and butterfat will be continued through the 1959-60 marketing year which begins on April 1.

The support prices are being continued at $3.06 per hundredweight for manufacturing milk and 56.6 cents per pound for butterfat.

In carrying out the program to support prices of milk and butterfat sold by farmers, USDA as in the past will offer to purchase butter, Cheddar cheese, and nonfat dry milk in carlot quantities.

The 1959 support rates are about 77 percent of both the parity equivalent price for manufacturing milk and the parity price for butterfat, based on March parity prices as announced Feb. 27.

In making the announcement, Secretary of Agriculture Ezra Taft Bensen said: "By law, the Secretary of Agriculture must before the beginning of the marketing year (presently April 1) set a level of price supports that will 'assure an adequate supply'.

"During 1958, milk production was reduced by some 700 million pounds. Milk cow numbers as of Jan. 1, 1959 were down 2.8 percent from a year earlier. The number of milk cows on farms is expected to decline still further in 1959 but not at as rapid a rate as in 1958.

"With a rise in our population and a significant increase in cheese consumption and little per capita change in the use of other products, total commercial use of milk products increased in 1958 over 1957. As a result and since milk output declined, CCC outlays for price support purchases of dairy products are down substantially. (For details see press release USDA 645-59, dated March 6, 1959.)

"We have moved into consumption the reduced acquisitions. Our uncommitted supplies are as follows in comparison with last year:

UNCOMMITTED SUPPLIES
(million pounds)

	Butter	Cheese	Nonfat Dry Milk
2-28-59	28.5	6.5	49.3
2-28-58	55.9	143.3	31.4

"1959 production is not expected to be significantly different from 1957 or 1958 levels. Increased consumer incomes are in prospect, and commercial use of milk products per person is expected to be at least as large as in 1958. With the rise in population, supply and the commercial use of milk products -- measured on a fat basis -- is expected to be more nearly in balance than in several years. (However, we still expect some surplus of nonfat dry milk solids.)

"In arriving at a decision, I have consulted with producer groups, farm leaders interested in dairying, and the CCC Advisory Board.

"Based on analysis by our dairy technicians, it would appear that retention of the present support levels is desirable to provide the level of production with the margin of safety to 'assure an adequate supply.' Therefore, I am maintaining the 1959 marketing year support levels for butterfat and manufacturing milk at the same dollar-and-cents levels as for 1958.

"The dairy industry provides one of the most important sources of cash income for our farmers -- about 14 percent of cash receipts from marketing in 1958. I believe its future is bright. Each morning there are 8,000 new customers for its products.

"For good nutrition we need to consume more dairy products. We will do everything feasible to cooperate with this great industry to promote and merchandise its products. We will, of course, continue to assist the dairy industry in every sound way to expand its markets, reduce costs and help it build on a firmer foundation."

USDA 695-59

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Washington, January 8, 1960

USDA Continues Current Dairy Support Prices for Another Year:

Secretary of Agriculture Ezra Taft Benson today announced that current dollar-and-cents support prices for manufacturing milk and butterfat will be continued through the 1960-61 marketing year which begins on April 1.

The support prices are being continued at $3.06 per hundredweight for manufacturing milk and 56.6 cents per pound for butterfat.

In carrying out the program to support prices of milk and butterfat sold by farmers, the U.S. Department of Agriculture as in the past will offer to purchase butter, cheddar cheese, and nonfat dry milk in carlot quantities.

The current purchase prices for nonfat dry milk and cheddar cheese will be continued, except that the buying price for nonfat dry milk in barrels and drums will be the same as the current price for it in bags. Purchase prices for butter will be announced later after consultation with the trade about regional differentials. It is estimated that buying prices will result in national average prices to farmers for manufacturing milk and butterfat at least equal to the announced support prices.

The 1960 support rates are about 77 percent of both the parity equivalent price for manufacturing milk and the parity price for butterfat, based on parity price as announced on December 30, 1959. This continues the percentage-of-parity level of support which is currently in effect.

The Secretary of Agriculture is required by law to set a level of price supports that will "assure an adequate supply." This must be done before the beginning of the marketing year.

Cash receipts to producers from marketings during 1960 are estimated to be $4.7 billion--the highest on record. Increased consumer incomes are in prospect, and

commercial use of milk products per person is expected to be at least as large as in 1959. The rise in population, the supply and the commercial use of milk products -- measured on a fat basis -- are expected to be more nearly in balance than in several years.

Production in 1960 is not expected to be significantly different from the 1959 level.

The prices received by farmers so far during this marketing year have averaged substantially above the support level. The average price received by farmers for butterfat so far in the current marketing season is 59.6 cents per pound, 3.0 cents above support, and the price for manufacturing milk is $3.22 per hundredweight, 16 cents per hundredweight above support.

In making the announcement, Secretary Benson said:

"The dairy industry of the United States is continuing its progressive and constructive advance toward balancing its output with the effective demand for dairy products.

"At the end of 1959, output of the industry was only a little in excess of the demand at market prices. This is a great change from the substantial surplus position of the dairy industry of only a few years ago. In 1954 holdings of dairy products in government hands reached an all-time high of one and a half billion pounds -- 466 million pounds of butter -- 435 million pounds of cheese -- 600 million pounds of dry milk. Disposal of these stocks and the supplies bought since then has been largely accomplished through export sales for dollars and for foreign currency under Public Law 480 and donations to the school lunch and to needy people both at home and abroad.

"The simple fact is that dairy products were being priced out of their markets -- and they still have not fully recovered the markets that were lost.

We must never forget that a government warehouse is not a market.

"With the needed adjustment in price support levels the situation improved dramatically. As output has come more nearly in line with commercial demand, price support purchases have trended downward. Price support purchases of butter during the first nine months of the current marketing year (April through December) were the smallest for those months in seven years. While cheese price support purchases have been somewhat larger than the relatively small volume purchased a year earlier, they otherwise have been the smallest in seven years. Price support purchases of nonfat dry milk have been the smallest since 1955."

The buying prices for cheddar cheese and nonfat dry milk during the marketing year beginning April 1, 1960 will be:

Cheddar Cheese:	Cents per pound
U.S. Grade A, or higher, standard moisture basis	32.75¢

Nonfat Dry Milk:

U.S. Extra Grade or Higher

Spray process	13.40¢
Roller process	11.40¢

In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture, and have a direct microscopic clump bacteria count of not more than 250 million per gram as determined by USDA laboratory test.

USDA 54-60

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Washington, March 1, 1960

Decision Announced on Butter Buying Prices Under Dairy Support for 1960-61:

The U.S. Department of Agriculture today announced that the Commodity Credit Corporation will continue to buy butter on the present price differential basis during the marketing year which begins April 1.

The announcement on Jan. 8 (press release USDA 54-60) of the next marketing year's support program stated that the purchase prices for butter would be announced later after consultation with the trade about regional differentials. On Jan. 14 (press release USDA 96-60), anyone interested was invited to meet and discuss the matter with Department officials on Feb. 2.

In making its decision, USDA considered views expressed, at the meeting and otherwise, by representatives of producers, manufacturers, handlers, and warehousemen, a majority of whom favored a continuation of the same pricing basis in 1960-61 as in 1959-60.

The butter buying prices announced today for the marketing year which begins on April 1, 1960, are the same as the current prices for 1959-60. These prices, and the buying prices for cheddar cheese and nonfat dry milk which were previously announced on Jan. 8, become effective beginning April 1, 1960. They will be:

Butter	Cents per lb.
U.S. Grade A or higher:	
New York, N.Y. and Jersey City and Newark, N.J.	58.75
Seattle, Wash., San Francisco, Calif., California, Alaska, Hawaii	58.00
Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine	58.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	57.75

The price of butter located at any other point will be the price at the designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.

U.S. Grade B: 2 cents per pound less than the price for U.S. Grade A or higher

Cheddar Cheese	Cents per lb.
U.S. Grade A or higher, standard moisture basis	32.75¢
Nonfat Dry Milk:	
U.S. Extra Grade	
Spray process	13.40¢
Roller process	11.40¢

In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture and have a direct microscopic clump bacteria count of not more than 250 million per gram as determined by USDA laboratory test.

As announced on Jan. 8, the support prices are being continued at $3.06 per hundredweight for manufacturing milk (of yearly average milkfat test) and 56.6 cents per pound for butterfat in farm-separated cream. Based on the latest parity data, these prices are about 77 percent of the parity equivalent and parity prices.

USDA 623-60

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Washington, September 19, 1960

USDA Increases Dairy Support Prices:

The U.S. Department of Agriculture today increased dairy support prices to 59.6 cents per pound of butterfat and $3.22 per hundred pounds of manufacturing milk for the remainder of the 1960-61 dairy marketing year which runs through March 31, 1961. This is in accordance with the provisions of Public Law 86-799, approved by the President on September 16, 1960.

In order to carry out the dairy support increases, Commodity Credit Corporation's buying prices are upped immediately by 2-1/2 cents per pound on butter, 1 1/2 cents per pound on cheese, and 1/2 cent per pound on nonfat dry milk. These buying prices reflect the increases in the milk and butterfat support prices and will apply only to products produced on or after September 17, 1960.

The support prices are increased from $3.06 to $3.22 per hundred pounds of manufacturing milk and from 56.6 to 59.6 cents per pound of butterfat.

The new and former dairy price support buying prices follow:

Butter	New Price (per pound)	Former Price (per pound)
U.S. Grade A or higher:		
New York, N.Y., and Jersey City and Newark, N.J.	61.25¢	58.75¢
Seattle, Wash., San Francisco, Calif.	60.50	58.00
California, Alaska, and Hawaii	60.50	58.00
Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine	61.25	58.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	60.25	57.75

(The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.)

U.S. Grade B: 2 cents per pound less than the price for U.S. Grade A.

Cheddar Cheese		
U.S. Grade A or higher, Standard moisture basis	34.25¢	32.75¢

Nonfat Dry Milk		
U.S. Extra Grade		
Spray process	13.90¢	13.40¢
Roller process	11.90¢	11.40¢

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture, and have a direct microscopic clump bacteria count of not more than 250 million per gram as determined by USDA laboratory test.)

The new support price of $3.22 per hundredweight for manufacturing milk is for milk of the national yearly average butterfat test, which in recent years has approximated 3.86 percent. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be $2.92 per hundredweight. Many plants pay on the basis of 3.5 percent butterfat test for milk.)

All terms and conditions for purchases under the dairy support program are unchanged.

USDA-2748-60

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Washington, March 10, 1961

USDA Announces Dairy Support Prices for the Remainder of 1960-61 and for 1961-62:

Secretary of Agriculture Orville L. Freeman today announced that, effective immediately and extending through the next marketing year which begins April 1, 1961, prices to producers for milk and butterfat will be supported at $3.40 a hundredweight of manufacturing milk and 60.4 cents a pound of butterfat.

These prices are about 83 percent of the parity equivalent price for manufacturing milk and about 81 percent of parity for butterfat, based on the latest parity data.

The support prices are increased from $3.22 for manufacturing milk and 59.6 cents for butterfat in farm-separated cream in effect since last September 17.

In announcing the new dairy support program, Secretary Freeman stated:

"The increased support prices will result in a much-needed improvement in dairy farmers' incomes.

"The Eisenhower budget for 1961-62 provided for support prices of $3.06 per hundred pounds for manufacturing milk and 56.6 cents per pound for butterfat. The increases announced today amount to $0.34 per hundredweight for manufacturing milk and 3.8 cents per pound for butterfat.

"All dairy farmers will benefit from these higher price levels -- those who supply milk for consumption in fluid form as well as farmers whose milk is manufactured into other dairy products.

"I intend to consult closely with dairy farmers and to give them the full assistance of the Department of Agriculture in devising improved programs that will assure more efficient marketing and adequate farm income as well as an adequate supply."

Commodity Credit Corporation's buying prices per pound for cheese and nonfat dry milk produced on and after March 10, 1961, will be 36.1 cents for cheese, and 15.9 cents for spray and 13.9 cents for roller dry milk. These are increases of 1.85 cents for cheese and 2 cents for nonfat dry milk above the prices in effect for products produced since last September 17. Buying prices for cheese and nonfat dry milk produced before the date of this announcement will not be changed. CCC's buying prices for butter will continue unchanged. Based on last year's experience this buying price for butter is expected to support butterfat in farm-separated cream at slightly above the support level in effect since last September 17.

The support buying prices for products will be as follows:

	Produced before Sept. 17, 1960	Produced Sept. 17, 1960-March 9, 1961	Produced on and after Mar. 10, 1961
	(Cents per pound)		
Butter			
U.S. Grade A or higher:			
New York, N.Y., and Jersey City and Newark, N.J.	58.75	61.25	61.25
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	58.00	60.50	60.50
Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine	58.75	61.25	61.25
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	57.75	60.25	60.25

(The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.)

U.S. Grade B: 2 cents per pound less than the price for U.S. Grade A.

Cheddar Cheese			
U.S. Grade A or higher, Standard moisture basis	32.75	34.25	36.10
Nonfat Dry Milk			
U.S. Extra Grade			
Spray process	13.40	13.90	15.90
Roller process	11.40	11.90	13.90

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture, and have a direct microscopic clump bacteria count of not more than 250 million per gram as determined by USDA laboratory tests.)

The new support price of $3.40 per hundredweight for manufacturing milk is for milk of the national yearly average butterfat test, which last year approximated 3.83 percent. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be $3.11 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk.)

USDA 719-61

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Washington, July 18, 1961

CCC Increases Support Purchase Prices of Cheese and Nonfat Dry Milk:

The U.S. Department of Agriculture today announced increases under the dairy price support program in purchase prices by half a cent a pound for nonfat dry milk and .4 cent a pound for Cheddar cheese. These increases apply to products produced on and after July 18, 1961.

This action was taken because U.S. average manufacturing milk prices to producers in the first three months of the marketing year which began April 1, 1961, were 3 to 4 cents per hundredweight less than the support price of $3.40 per hundredweight which was announced on March 10, 1961 (USDA 719-61).

The new purchase prices are expected to be reflected in U.S. average manufacturing milk prices equal to the announced support price.

The new CCC purchase prices with comparison are as follows:

	Produced before Sept. 17, 1960	Produced Sept. 17, 1960-Mar. 9, 1961	Produced Mar. 10, 1961 to - July 17, 1961	Produced on and after July 18, 1961
	(Cents per pound)			
Nonfat dry milk				
U.S. Extra grade				
Spray process	13.40	13.90	15.90	16.40
Roller process	11.40	11.90	13.90	14.40
Cheddar cheese				
U.S. Grade A or higher, Standard moisture basis	32.75	34.25	36.1	36.50

Since prices received by farmers for butterfat in cream are based almost entirely on butter prices have been equal to the support price of 60.4 cents a pound the CCC butter purchase prices are being continued unchanged.

USDA 2264-61

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Washington, March 30, 1962

USDA Announces 1962-63 Marketing Year Dairy Support Prices at 75 Pct. of Parity:

The U.S. Department of Agriculture today announced national average support prices of $3.11 per hundredweight for manufacturing milk and 57.2 cents per pound for butterfat for the 1962-63 marketing year. These prices reflect 75 percent of the March parity prices (announced Feb. 28) for these two commodities.

Dairy support prices are mandatory between 75 and 90 percent of parity. The law requires that the Secretary of Agriculture set, within this range, the level "necessary in order to assure an adequate supply."

With no indication of a significant increase in consumption in the year ahead and with prospects for milk production to continue above the 1960-61 level in the absence of new legislation, USDA's General Counsel, in line with opinions under similar circumstances by his predecessors, has advised "I am aware of no legal basis upon which such a determination for support at a level higher than 75 percent of parity could be made."

The support prices announced today reflect 75 percent of the March 1962 parity price of 76.2 cents per pound of butterfat and of the March 1962 parity equivalent price of $4.15 per hundredweight for manufacturing milk.

If 75 percent of parity price for manufacturing milk and butterfat as of April 1, the beginning of the 1962-63 marketing year, requires higher prices, the support prices will be increased. The parity prices as of April 1 will be published in Agricultural Prices on March 30.

In carrying out the program to support prices of milk and butterfat sold by farmers, USDA as in the past will offer to purchase butter, Cheddar cheese, and nonfat dry milk in carlot quantities.

In a change from past programs, USDA will discontinue the purchase of roller process nonfat dry milk. With production by this process trending downward, price support purchases have been minor in quantity. Purchases of butter, cheese, and spray process nonfat dry milk will effectively maintain producer prices at support levels, Department officials stated.

Purchase prices for Cheddar cheese and spray process nonfat dry milk are being established on a national basis as in past years. The present method of determining buying prices for butter at different locations is being continued. Butter buying prices are specified for certain geographical locations and for New York, Seattle, and San Francisco.

The new support price of $3.11 per hundredweight for manufacturing milk is for milk of the national yearly average butterfat test, which last year approximated 3.82 percent. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be $2.85 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk.)

Dairy support prices for the 1961-62 marketing year which ends March 31 were set at $3.40 per hundredweight for manufacturing milk, reflecting 83 percent of April 1961 parity equivalent price, and 60.4 cents per pound for butterfat, reflecting 81 percent of the April 1961 parity price.

The support buying prices for products will be as follows:

	Buying Price Prior to April 1, 1962 (Cents per pound)	Buying Price After April 1, 1962 (Cents per pound)
Butter:		
U.S. Grade A or higher:		
New York, N. Y., and Jersey City and Newark, N. J.	61.25	58.75
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	60.50	58.00
Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine	61.25	58.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	60.25	57.75

(The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to designated market.)

U.S. Grade B:

2 cents per pound less than the price for U.S. Grade A.

Cheddar Cheese		
U.S. Grade A or higher, Standard moisture basis	36.25	34.60
Nonfat Dry Milk (Spray) U.S. Extra Grade	16.40	14.40

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture, and have a direct miscroscopic clump bacterial count of not more than 250 million per gram as determined by USDA laboratory tests.)

USDA 1190-62

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Washington, March 30, 1962

Statement by Secretary of Agriculture Freeman on Dairy Price Support:

The Agriculture Act of 1949 requires that the Secretary of Agriculture set dairy support prices at 75 percent of parity or at whatever higher level will provide an adequate supply.

Dairy product supplies are larger than at any time in history. We also anticipate that in the coming year the Government will be purchasing about 9 percent of the total milk marketed, as compared to about 5 percent in 1956, about 4 percent in 1958, and about 9 percent in the current year.

Through mid-March of this year, Commodity Credit Corporation purchases have totaled about 375 million pounds of butter, 160 million pounds of cheese and about 914 million pounds of nonfat dry milk.

The supply situation being what it is, USDA's General Counsel has advised me that the support level must be set at 75 percent of parity -- the legal minimum.

The President, recognizing that a drop to 75 percent of parity represents a substantial loss of dairy farmer income, recommended to the Congress that a special resolution be passed to authorize the Department to maintain dairy supports at the present $3.40 per hundredweight level for the remainder of the year. Without this action, dairy income will fall by some $250 million this year.

The temporary action was proposed to keep dairy income at current levels while a permanent program could be developed to balance supply and demand and prevent a pileup of dairy products at heavy cost to the taxpayer.

The Congress did not follow the President's recommentation. This being the case, pursuant to the law the Secretary has enacted to lower dairy price supports to 75 percent of parity beginning April 1, 1962.

Even at 75 percent of parity, the cost of the program for 1962 is estimated to be $523 million. Maintaining the present support level until Congress could act on new legislation would have increased costs by about $100 million, but the increase in farmer income would have been almost twice as great as the increase in cost.

The current supply and demand situation, with resulting heavy government costs, together with the prediction for next year's cost of $523 million even at 75 percent of parity, makes it clear that if dairy income is to be protected and if support prices are to be maintained, a long-term program to balance supply with demand is essential.

The dairy farmer is one of the most underpaid persons in the Nation. His hourly income ranges from as low as 56 cents in western Wisconsin and 33 cents in eastern Wisconsin to 67 cents in the northeastern United States and 49 cents in southeastern Minnesota.

The dairy farmer must and can have parity of income with other occupations requiring like amounts of capital, labor and managerial skill. Yet it is clear that this goal cannot be reached under the present law, no matter how that law is applied. If we are to be realistic, then we must look to the techniques of supply management.

I am hopeful that the Congress will move to enact dairy legislation which will provide the farmer with an opportunity to earn an income on a par with other occupations and will, at the same time, protect the taxpayer.

The Department will continue to work in cooperation with the Congress in any and all possible ways to achieve better income opportunities for the dairy farmer.

I am hopeful that the Congress will act yet this year so that the income of dairy farmers can be increased rather than dropped, and so we can resume progress towards parity of income to which the dairy farmers are entitled.

USDA 1193-62

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Washington, March 14, 1963

1963-64 Marketing Year Dairy Support Prices Set at 75 Pct. of Parity:

The U.S. Department of Agriculture today announced national average support prices of $3.14 per hundredweight for manufacturing milk and 58.1 cents per pound of butterfat for the 1963-64 marketing year. These prices reflect 75 percent of the parity prices for the two commodities.

Dairy support prices are mandatory between 75 and 90 percent of parity. The law requires that the Secretary of Agriculture set, within this range, the level "necessary in order to assure an adequate supply." With milk production continuing at high levels and dairy price-support purchases during the past marketing year estremely large, there is no alternative under existing legislation but to set dairy price support for the coming year at the minimum level.

The support prices announced today are slightly higher than support prices for the 1962-63 market year of $3.11 per hundredweight for manufacturing milk and 57.1 cents per pound of butterfat which also reflected 75 percent of parity when announced because of higher parity prices this year than last.

The 1963-64 marketing year support prices reflect 75 percent of the latest parity price of 77.4 cents per pound of butterfat and of the parity equivalent prices of $4.19 per hundredweight for manufacturing milk published Feb. 28, 1963. If these parity prices as of April 1, the beginning of the 1963-64 marketing year, are higher, the support prices will be increased. The parity prices as of April 1 will be published in Agricultural Prices on March 29.

In carrying out the program to support prices of milk and butterfat sold by farmers, USDA will as in the past offer to purchase butter, cheddar cheese, and nonfat dry milk in carlot quantities.

Even though support prices are higher for the coming year, buying prices for butter and nonfat dry milk are unchanged from the current year's prices because last year's experience indicates that these prices will keep producer average returns at the national levels announced today for the coming marketing year. The relative low support purchases of cheese, as compared with butter and nonfat dry milk, during the current marketing year indicates the need for an increase of 1 cent per pound in the buying price for cheese as an assurance to maintain the support price

for manufacturing milk.

For nonfat dry milk packed in bags with sealed closures (tape over stitches) that offer greater protection against insects, the buying price will be .2 of a cent per pound higher or 14.6 cents per pound of nonfat dry milk to offset the cost of the more expensive bag.

Purchase prices for cheddar cheese and spray process nonfat dry milk are being established on a national basis as in past years. The present method of determining buying prices for butter at different locations is being continued. Butter buying prices are specified for certain geographical locations and for New York, Seattle, and San Francisco.

The new support price of $3.14 per hundredweight for manufacturing milk is for milk of national yearly butterfat test, which last year approximated 3.77 percent for manufacturing grade milk. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be $2.92 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk.)

The support buying prices for products will be as follows:

Butter:	Buying Price for Product Produced Prior to April 1, 1963	Buying price for Product Produced on and after April 1, 1963
	(cents per pound)	
U.S. Grade A or higher:		
New York, N.Y., & Jersey City and Newark, N.J.	58.75	58.75
Seattle, Wash., San Francisco, Calif. Californis, Alaska, & Hawaii	58.00	58.00
Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine	58.75	58.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	57.75	57.75

(The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.)

U.S. Grade B:

2 cents per pound less than the price for U.S. Grade A.

Cheddar cheese

U.S. Grade A or higher, Standard moisture basis	34.60	35.60

Nonfat Dry Milk (Spray)

U.S. Extra Grade		
Bags without tape	14.40	14.40
Bags with tape	- - -	14.60

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture.)

USDA 858-63

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Washington, February 10, 1964

1964-65 Marketing Year Dairy Support Prices Set at 75 Pct. of Parity:

The U.S. Department of Agriculture today announced national average support prices of $3.15 per hundredweight for manufacturing milk and 58 cents per pound of butterfat for the 1964-65 marketing year, prices that reflect 75 percent of the parity prices for the two commodities. The comparable prices for the 1963-64 marketing year -- also at 75 percent of parity -- were $3.14 and 58.1 cents.

Dairy support prices are mandatory between 75 and 90 percent of parity. The law requires that the Secretary of Agriculture set, within this range, the level "necessary in order to assure an adequate supply."

Milk production in the 1963-64 marketing year has averaged about 1 percent less than a year earlier and consumption of milk and its products has increased slightly. Purchases of dairy products, although moderately smaller than in 1962-63, have been large in the 1963-64 marketing year. It is anticipated that purchases will continue heavy in the 1964-65 marketing year.

In carrying out the program to support prices to farmers for milk and butterfat, USDA will as in the past offer to purchase butter, cheddar cheese, and nonfat dry milk in carlot quantities.

Buying prices for these 3 dairy products are the same as the current year's prices because last year's experience indicates that these prices will keep producer average returns at the national levels announced today for the coming marketing year.

Purchase prices for cheddar cheese and spray process nonfat dry milk are being established on a national basis as in past years. The present method of determining buying prices for butter at different locations is being continued. Butter buying prices are specified for certain geographical locations and for New York, Seattle, and San Francisco.

The new support price of $3.15 per hundredweight for manufacturing milk is for milk of national yearly butterfat test, which last year approximated 3.75 percent for manufacturing grade milk. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be $2.94 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk.)

The support buying prices for products will be as follows:

Butter:

U.S. Grade A or higher:	(Cents per pound)
New York, N.Y., and Jersey City and Newark, N.J.	58.75
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	58.00
Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine	58.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	57.75

(The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.)

U.S. Grade B:

2 cents per pound less than the price for U.S. Grade A.

Cheddar cheese

U.S. Grade A or higher, Standard moisture basis	35.60

Nonfat Dry Milk (Spray)

U.S. Extra Grade	
Bags without tape	14.40
Bags with tape	14.60

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture.)

USDA 467-64

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Washington, March 18, 1965

1965-66 Marketing Year Dairy Support Prices Set at 75 Pct. of Parity:

The U.S. Department of Agriculture today announced national average support prices of $3.24 per hundredweight for manufacturing milk and 59.4 cents per pound of butterfat for the 1965-66 marketing year, prices that reflect 75 percent of the parity prices for the two commodities. The comparable prices for the 1964-65 marketing year -- also at 75 percent of parity -- were $3.15 and 58.0 cents.

Dairy support prices are mandatory between 75 and 90 percent of parity. The law requires that the Secretary of Agriculture set, within this range, the level "necessary in order to assure an adequate supply."

Milk production in the 1964-65 marketing year has been 1 percent more than a year earlier and consumption of milk and its products has increased slightly less.

The quantities of dairy products removed or diverted from the domestic market, through price support purchases and commercial exports under the payment-in-kind program, have been moderately larger in 1964-65 than a year earlier. The outlook is for the quantity removed or diverted to be at least as large in 1965-66 as in 1964-65.

In carrying out the program to support prices to farmers for milk and butterfat, USDA will as in the past offer to purchase butter, cheddar cheese, and nonfat dry milk in carlot quantities. Because the parity and support prices are higher, the announced purchase prices are increased by one cent a pound for butter and one-half of a cent for cheddar cheese. The purchase price for nonfat dry milk in sealed 100-pound bags continues unchanged, and the price in unsealed bags continues unchanged until December 31, 1965, when purchases in unsealed bags will end. Experience indicates that these purchase prices will keep producers' average returns at the national average support levels announced today for the coming marketing year.

Two changes from the present marketing year are being made in the Department's purchases and pricing of butter. The first change is that in the northeastern area (Pennsylvania, New Jersey, New York, and New England), Commodity Credit Corporation will confine its purchases of bulk butter to butter produced in that area in order to discourage the excessive movement of midwestern-produced butter to the East for sale to CCC. Purchases of butter in New York have been high in proportion to program needs. Much of this butter has been produced in the Midwest.

The other change is that the butter purchase prices in the New England States will be placed on the same basis as for locations in other northeastern and midwestern States for which no specific purchase prices are announced. The CCC purchase price of butter for any location in Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, and Maine will be based on the price at New York City less 80 percent of the rail freight rate from the location to New York City. The purchase price in the New England States has been the same as at New York City. This has caused butter produced in upper New York to be trucked into New England for sale to CCC and is tending to price this butter as

well as that produced in New England out of the commercial market. The two changes are expected to reduce CCC costs.

Purchase prices for cheddar cheese and for nonfat dry milk will continue to be uniform for all locations.

The new support price of $3.24 per hundredweight for manufacturing milk is for milk of national yearly butterfat test, which last year approximated 3.73 percent for manufacturing milk. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be $3.04 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk.)

The support buying prices for products will be as follows (prices for products produced before April 1 are the 1964-65 prices:)

Butter	Produced before April 1, 1965	Produced on and after April 1, 1965
	(Cents per pound)	
U.S. Grade A or higher:		
New York, N.Y., and Jersey City and Newark, N.J.	58.75	59.75
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	58.00	59.00
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	57.75	58.75

The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.

U.S. Grade B:

2 cents per pound less than the price for U.S. Grade A.

Cheddar cheese	Produced before April 1, 1965	Produced on and after April 1, 1965
	(cents per pound)	
U.S. Grade A or higher, Standard moisture basis	35.60	36.10
Nonfat Dry Milk (Spray) in 100-pound bags		
U.S. Extra Grade:		
Bags with tape	14.60	14.60
Bags without tape (until Dec. 31, 1965)	14.40	14.40

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture.)

USDA 876-65

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Washington, April 30, 1965

Price Support Restriction in Northeastern Butter Purchases Effective May 1:

The U.S. Department of Agriculture announced today that the restriction of bulk butter purchases under the dairy price support program in the northeastern area to butter produced in that area will become effective May 1.

The restriction originally was announced on March 18 to become effective on April 1, the beginning of the 1965-66 marketing year.

The change is that in the northeastern area (Pennsylvania, New Jersey, New York, and New England), Commodity Credit Corporation will confine its purchases of bulk butter to butter produced in that area. Purchases of butter in New York have been high in proportion to program needs. Much of this butter has been produced in the Midwest. The purpose is to discourage the movement of butter from the producing area to the East for sale to the Government. The Department said that in general the acquisition of surplus butter at point of production keeps down transportation, storage, and packaging costs.

On March 30 the Department postponed the effective date to provide further opportunity for interested parties to submit additional information and views on the marketing of butter and the effects of the change. Department officials said that the information and views received since then from representatives of producers, handlers, warehousemen, and others have been carefully analyzed and considered. After thorough review of the problem and alternative solutions, it has been decided that the restriction announced on March 18 should become effective May 1.

USDA 1375-65

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Washington, March 31, 1966

Freeman Encourages Expanded Milk Production:

Secretary of Agriculture Orville L. Freeman took action today to encourage expanded milk production in order to assure an adequate supply of milk and dairy products for domestic market needs and high priority programs. Expanded output will mean lower retail prices for consumers than would otherwise be expected, while the higher support level will provide greater price protection to the nation's dairymen.

The action taken will increase the support price for manufacturing milk to $3.50 a hundredweight and the support price for butterfat in farm-separated cream to 61.6 cents a pound for the period April 1, 1966 through March 31, 1967. The new support levels are well below current market prices. The national average price of manufacturing milk, adjusted for seasonal milkfat content,

in March was $3.79 a hundredweight while the average price of butterfat was 63 cents a pound.

The supply of milk is expected to increase in coming months in response to the assurance that prices will not fall below the new support level. The more adequate supply of milk should hold actual milk prices to consumers at lower levels than otherwise expected for later this year.

The new support prices reflect 78 percent of the parity equivalent price for milk and 75 percent of the parity price for butterfat. Until today's action, support prices since April 1, 1965, have been $3.24 per hundredweight for manufacturing milk and 59.4 cents per pound of butterfat in farm-separated cream.

The Agricultural Act of 1949 requires the support of prices to farmers for milk and butterfat at such level between 75 and 90 percent of parity as will assure an adequate supply.

Total milk production has fallen increasingly below a year earlier since mid-1965. In February this year, it was 5.8 percent below a year ago. Production was down sharply in the Corn Belt and Lakes States where much of the manufacturing milk is produced. Apparent reasons include relatively good prices of meat animals, high farm labor costs, increased off-farm opportunities, and low milk producing quality of last year's roughage crop.

The lower milk production has been reflected in sharply reduced output of manufactured dairy products. Production of butter and nonfat dry milk this winter has been 25 percent below a year ago, and cheese production also has been lower than last year.

Market prices in recent months have been well above the support level. The U.S. average price of manufacturing milk in March (Adjusted for seasonal milkfat test) was 55 cents above the current support of $3.24.

The Government has no uncommitted price support stocks of dairy products. Bids were requested during March on butter for school lunch use under the new purchase authority (Sec. 709) in the Food and Agriculture Act of 1965, but only a few bids were received on small quantities at prices substantially above market prices.

No cheese has been acquired or distributed for school lunch or welfare use since mid-1965, as market demand has been strong, production down, and market prices well above support.

Nonfat dry milk has been continued in both domestic and foreign school lunch and welfare uses and has played an important role in these programs.

The new support price of $3.50 per hundredweight for manufacturing milk is for milk of national yearly butterfat test, which last year approximated 3.73 percent for manufacturing milk. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be $3.28 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk).

In carrying out the program to support prices to farmers for milk and butterfat, USDA will continue to offer to purchase butter, cheddar cheese, and nonfat dry

milk in carlot quantities. Because the parity and support prices are higher, the announced purchase prices are increased by 2 cents a pound for butter, 2 cents a pound for nonfat dry milk and 3.2 cents a pound for cheddar cheese. The new purchase prices for butter and cheese, however, are well below their average market price levels in recent months.

The support buying prices for products will be as follows:

Butter	Produced before April 1, 1966	Produced on and after April 1, 1966
	(cents per pound)	
U.S. Grade A or higher:		
New York, N.Y., and Jersey City and Newark, N.J.	59.75	61.75
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	59.00	61.00
Arizona, New Mexico, Texas, Louisiana Mississippi, Alabama, Georgia, Florida, South Carolina	58.75	60.75

The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.

U.S. Grade B:

2 cents per pound less than the price for U.S. Grade A.

Cheddar cheese	Produced before April 1, 1966	Produced on and after April 1, 1966
	(Cents per pound)	
U.S. Grade A or higher, standard moisture basis	36.1	39.3
Nonfat dry milk (spray) in 100-pound bags with sealed closures		
U.S. Extra grade:	14.6	16.6

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture.)

USDA 985-66

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Washington, June 29, 1966

Secretary Freeman Raises Dairy Supports:

Secretary of Agriculture Orville L. Freeman acted today to increase dairy price supports as a measure to avert a "dangerously tight supply situation and to reverse trends in the dairy industry which have seen dairy farmers leaving the farm at an alarming rate at the same time that cows are being slaughtered at record volume."

He raised price supports for manufacturing milk to $4.00 a hundredweight, an increase of 50 cents, and set the minimum basic formula price for calculating producer prices on drinking, or fluid, milk at $4.00 a hundredweight for milk of 3.5 percent butterfat. He said similar actions will be taken in markets where minimum fluid milk prices to producers are calculated on a different basis. (Details of the fluid milk actions are in the attached release, USDA 1993-66).

The price support increase and related actions will be effective through March 1967.

"I am taking these steps today to insure consumers adequate supplies of milk and dairy products in the months ahead, and to provide dairy farmers with an opportunity to share more equally in the general prosperity most Americans enjoy today.

"I have been deeply concerned for many months about the decline in dairy production, and the implicit threat which a continuation of this trend would have to consumer supplies of milk and dairy products.

"Milk production in May was 4.1 percent below a year ago, and this was the fourteenth consecutive month that milk production fell below year earlier levels.

Cow slaughter, including dairy cows, under Federal inspection during the first five months of 1966 was the highest on record for that period and exceeded the high slaughter rate last year by 12 percent.

"The high rate of culling in dairy herds prior to the first of this year has brought the number of milk cows to the lowest level since 1900, and in recent months all reports indicate that dairy farmers are leaving at about twice the rate of past years.

"If these trends continue, and dairy supplies continue to decline, then I am fearful that unprecedented increases in consumer prices could result.

"Thus, these actions today will encourage dairy farmers to continue in dairying, to slow up their culling of herds and to increase their feeding rate. It also will insure that the dairy farmer, who has always been on the low end of the economic totem pole, will receive a deserved increase in what he earns for his skill and labor."

The Secretary noted that the $4.00 support level will bring the support purchase price for butter and cheese to about current market levels.

The support level for manufacturing milk was increased from $3.24 to $3.50 on April 1, and butterfat from 59.4 to 61.6 cents a pound. The national average prices received by farmers in May were $3.75 a hundred pounds (adjusted for seasonal milkfat content) for manufacturing milk and 62.6 cents for butterfat in farm-separated cream.

For butterfat, the price support level in April was changed from 59.4 to 61.6 cents per pound. As of May, the national average price received by producers was 62.6 cents per pound. Today's action is expected to result in a price support level of about 68 cents per pound for butterfat in farm-separated cream. The price if such cream, representing only 3 percent of the national milk supply, is tied closely to the prevailing market price for butter.

The support buying prices will be as follows:

	Produced before April 1, 1966	Produced April 1-June 29, 1966	Produced on and after June 30, 1966
		(Cents per pound)	
Butter			
U.S. Grade A or higher			
New York, N.Y., and Jersey City and Newark, N.J.	59.75	61.75	67.25
Seattle, Wash., San Francisco, Calif., California, Alaska and Hawaii	59.00	61.00	66.5
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	58.75	60.75	66.25

The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.

U.S. Grade B:

2 cents per pound less than the price for U.S. Grade A.

Cheddar cheese			
U.S. Grade A or higher, standard moisture basis	36.1	39.3	43.75
Nonfat dry milk (spray) in 100-pound bags with sealed closures			
U.S. Extra grade:	14.6	16.6	19.6

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture.)

USDA 1994-66

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Washington, October 14, 1966

Secretary Freeman Announces 1967-68 Dairy Support:

Secretary of Agriculture Orville Freeman today assured dairy farmers that the present support price of $4.00 a hundredweight for manufacturing milk will be continued through the next marketing year which will begin April 1, 1967. The present support price of 68 cents a pound for butterfat in farm-separated cream also will be continued.

Since prices of milk sold for consumption as fluid milk are closely related to prices of milk used in manufacturing dairy products, today's action also will help maintain prices that farmers receive for milk marketed under Federal milk marketing orders.

"I am announcing the dairy support level for 1967-68 at this time in order that dairy farmers can plan their future dairy herd management with greater confidence as to next year's prices and to provide greater assurance of adequate supplies of milk and dairy products for consumers," Secretary Freeman said.

"Dairy farming requires more advance planning than many other types of farming. As consumers, we can all be grateful that dairy farmers have responded to a long-needed improvement in the prices they receive for milk. September production was only 1 percent below the September 1965 level, whereas production last January and February, was 5 percent below that of the corresponding months in 1965. Today's action should help to spur their improving production trend.

"The added assurance provided by today's announcement should further slow up the exodus of farmers out of dairying, reduce culling of herds, and encourage the raising of dairy calves."

The support price for manufacturing milk was increased from $3.24 to $3.50 a hundredweight on April 1 and then to $4.00 on June 29. The support price is for manufacturing milk of national average milkfat content -- approximately 3.72 percent. The present support price is 89.5 percent of the parity equivalent price as of the beginning of the current marketing year -- very near the top of the 75 to 90 percent range provided for in the Agricultural Act of 1949. The support price for butterfat in farm-separated cream was increased from 59.4 to 61.6 cents a pound on April 1 and then to 68 cents on June 29.

Market prices of dairy products have been above the support level in recent months and farmers have received more than the support price. The U.S. average price of manufacturing milk (seasonally adjusted for milkfat test) in September was $4.33 a hundredweight -- about $1.00 above a year ago.

Since April 1 of this marketing year, the Department of Agriculture has not

acquired any butter or cheese under the price support program, and only about one-third as much nonfat dry milk as in the same period last year.

The Department does not anticipate major changes in its support buying prices for butter, cheese, and nonfat dry milk under the 1967-68 program. The specific prices, however, will be announced later.

USDA 3281-66

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Washington, March 30, 1967

Freeman Announces Dairy Purchase and Sales Prices for 1967-68:

Consistent with the objectives of the U.S. Department of Agriculture in administering the Food and Agriculture Act of 1965, Secretary of Agriculture Orville L. Freeman today announced that dairy products acquired by the Commodity Credit Corporation under the dairy support program would not be offered for sale back to the domestic market at less than 110 percent of the purchase prices.

At the same time, it was announced that the present purchase prices for dairy products would be continued.

On October 14, 1966 the Secretary announced that support prices then in effect of $4.00 a hundredweight for manufacturing milk and 68 cents a pound for butterfat in farm-separated cream will be continued in the 1967-68 marketing year (Press Release USDA 3281-66). These support prices had been increased on June 29, 1966 from $3.50 a hundredweight for manufacturing milk and 61.6 cents a pound for butterfat, and the dairy product support buying prices were increased correspondingly to those now in effect. The October 14 announcement stated that the support buying prices would be announced later.

The support buying prices for the 1967-68 marketing year will be as follows:

Butter, U.S. Grade A or higher:	Cents per lb.
New York, N.Y., and Jersey City and Newark, N.J.	67.25
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	66.5
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	66.25

The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.

Butter, U.S. Grade B: 2 cents per pound less than the price for U.S. Grade A.

Cheddar cheese, U.S. Grade A or higher, standard moisture basis: 43.75

Nonfat dry milk (spray) U.S. Extra grade: 19.6

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5 percent moisture.)

The CCC sales prices for unrestricted used in April are:

Butter	Cents per lb.
New England, New York, New Jersey, Pennsylvania, and other States bordering the Atlantic Ocean and Gulf of Mexico.	74.00
Washington, Oregon, and California	73.25
All other States	73 00
Cheddar cheese (Standard moisture basis):	
New England, New York, New Jersey, Pennsylvania, and other States bordering the Atlantic Ocean and Gulf of Mexico	49.10
All other States	48.10
Nonfat Dry Milk	
All locations	21.6

These sales prices, which supercede those in the CCC Monthly Sales List for April 1967, are higher by approximately 3.5 cents a pound for butter, .1 of a cent for cheese, but the same for nonfat dry milk.

USDA 1024-67

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Washington, March 20, 1968

Dairy Price Support Raised to $4.28 Per Hundredweight:

Secretary of Agriculture Orville L. Freeman today announced that dairy price supports will be set at 90 percent of parity for the marketing year beginning April 1. This action raises the support from $4.00 to $4.28 per hundredweight.

He also announced that the present Class I differentials, over the price of manufacturing milk, used in computing producer prices for fluid milk in 67 Federal Order markets will be continued through April 1969. The differentials were increased by 20 cents a hundred pounds for the period May 1, 1967, through April 1968 by amendments to the orders a year ago, after a hearing and approval by producers. He said he also is setting a floor of $4.33 a hundred pounds of 3.5 percent milk as the basic formula price in establishing Class I prices in orders using such formula. Equivalent actions will be taken in

other markets where Class I prices are established by other formulas. Today's decision to continue the wider differentials for another year is based on a recent hearing at which producer groups urged such action.

He said the actions were being taken to insure adequate supplies of milk for the year ahead. Milk production in February was 3 percent below year earlier levels on a daily basis, following lower milk production levels in earlier months compared with a year ago.

"Milk production in the past three years has dropped from a record level of 127 billion pounds in 1964 to 119 billion pounds in 1967. While price support increases in 1966 and higher minimum prices for fluid milk in the Federal market order areas have helped to slow the decline, they have not reversed it, "the Secretary said.

In June 1966, Secretary Freeman raised the price support level for milk to 90 percent of parity, then $4.00 per hundredweight. He also took emergency action in 1966 and 1967 to increase fluid milk prices in Federal market areas.

"The action I am announcing today will assure the American consumer of an adequate supply of milk by strengthening the price paid to producers, who now face higher operating costs than a year earlier," the Secretary said.

The new support price of $4.28 for manufacturing milk is 90 percent of the parity equivalent price. It is a national average support price for manufacturing milk of average milkfat content of approximately 3.7 percent. An equivalent support price for 3.5 percent manufacturing milk, computed by applying the prevailing fat differential, is approximately $4.12 a hundred pounds.

Commodity Credit Corporation's support buying prices for nonfat dry milk and cheese are being raised enough to reflect the increase in support level for manufacturing milk. The buying prices for butter are not being increased because of the unfavorable market demand for butter. It is expected that CCC purchases of butter will support the U.S. average price of butterfat in farm-separated cream at approximately 66 cents a pound -- the 1967 average price.

The support buying prices will be as follows:

Butter, U.S. Grade A or higher:	Cents per lb.
New York, N.Y., and Jersey City and Newark, N.J.	67.25
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	66.5
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	66.25

The price of butter located at any other point will be the price at designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad freight rate per pound gross weight for a 60,000 pound carlot, in effect when the offer is accepted, from such point to such designated market.

Butter, U.S. Grade B: 2 cents per pound less than the price for U.S. Grade A.

	Produced before April 1, 1968	Produced on and after April 1, 1968
	(Cents per pound)	
Cheddar cheese, U.S. Grade A. or higher, standard moisture basis:	43.75	47.0
Nonfat dry milk (spray), U.S. Extra grade (but not more than 3.5% moisture):		
100-pound bags, with sealed closures	19.6	23.1
50-pound bags, with sealed closures	19.85	23.35

USDA 907-68

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Washington, December 26, 1968

Secretary Freeman Announces Dairy Price Actions:

Secretary of Agriculture Orville L. Freeman announced two actions today to maintain dairy farmer's income during the 1969-70 marketing year. The present support price for manufacturing milk and the present Class I price levels under Federal milk orders will be continued.

The support price for manufacturing milk for the marketing year which begins April 1, 1969, will be $4.28, for milk of average milkfat content (approximately 3.7 percent). This is 87 percent of the latest parity equivalent price published in late November. The law provides for support at prices between 75 and 90 percent of parity as of the beginning of the marketing year.

The specific prices at which Commodity Credit Corporation will buy butter, Cheddar cheese and nonfat dry milk in order to carry out the support will be announced at a later date.

Under the Federal order program, the Secretary's action will continue fluid milk prices (Class I) to dairy farmers at their present levels after April 1969, when a temporary 20-cent increase and a basic formula floor price, granted last year for 67 markets is due to expire.

The Secretary said he is terminating the April 30, 1969, expiration dates which provided for the price increases through April. In effect, the action will make prices set by the orders permanent, instead of temporary, at their present levels, officials said.

The price actions include a continuation of the 20-cent increase in the Class I price differentials now in effect, and a minimum basic formula price of $4.33 a hundredweight (3.5 percent milkfat content). In a few eastern markets using economic price formulas, comparable action will maintain prices at their present levels.

"The improvement in dairy prices received by farmers in 1968 helped to moderate the decline in total milk production," the Secretary said. "With an improvement in consumption in market channels, price support purchases of dairy products so far in this marketing year have been substantially smaller than a year earlier. Dairy farmers need assurance now that their incomes will be maintained so that they can plan their dairy operations. The actions announced today also will assure an adequate supply of milk and dairy products for consumers."

USDA 4007-68

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Washington, April 1, 1969

Support Price for Butterfat and Purchase Prices for Dairy Products Announced:

Secretary of Agriculture Clifford M. Hardin announced that the support price for butterfat in farm-separated cream will increase from 66 to 68 cents a pound, effective today, April 1.

The new support price will be 75 percent of the parity price which has increased since a year ago. The Agricultural Act of 1949 requires support of prices for milk and butterfat at not less than 75 percent of parity as of the beginning of the marketing year.

No change in the 1969-70 support price of manufacturing milk is being announced at this time. Earlier this had been set at $4.28 a hundred pounds for milk averaging approximately 3.69 percent of milkfat - 84 percent of the latest parity equivalent price.

In carrying out the 1968-69 support, Commodity Credit Corporation acquired about 185 million pounds of butter, 70 million pounds of cheese, and 555 million pounds of nonfat dry milk at a net cost of approximately $300 million. These purchases removed from the market the equivalent of 4.7 billion pounds of milk - 4.2 percent of total farm marketings.

"In recent months, total milk production has been running slightly below a year ago," Secretary Hardin said. "We will keep developments in production, consumption, and price support purchases under continuing review in the months ahead. Meanwhile, as announced last December, the 20-cent increase in Class I fluid milk prices and basic formula floor price for determining Class I prices under most Federal milk orders, in effect during the past year, will be continued."

In order to carry out the 1969-70 support program, CCC's support purchase prices for butter will increase by 0.75 of a cent a pound so as to reflect the higher support price for butterfat. The purchase price for cheese is being raised 1.0 cent per pound to strengthen the price of milk used in making cheese. The purchase price of nonfat dry milk remains unchanged.

The support buying prices will be as follows:

	Produced before April 1, 1969	Produced on and after April 1, 1969
	(Cents per pound)	
Butter, U.S. Grade A or higher:		
New York, N.Y., and Jersey City and Newark, N.J.	67.25	68.00
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	66.5	67.25
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	66.25	67.00

The price of butter located at any other point will be the price at designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad freight rate per pound gross weight for a 60,000 pound carlot, in effect when the offer is accepted, from such point to such designated market.

	Produced before April 1, 1969	Produced on and after April 1, 1969
	(Cents per pound)	
Cheddar cheese, U.S. Grade A. or higher, standard moisture basis	47.0	48.0
Nonfat dry milk (spray), U.S. Extra grade (but not more than 3.5% moisture):		
100-pound bags, with sealed closures	23.1	23.1
50-pound bags, with sealed closures	23.35	23.35

USDA 1006-69

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Washington, April 2, 1969

Support Price for Butterfat Increased:

Secretary of Agriculture Clifford M. Hardin today announced a further increase in the support price for butterfat in farm-separated cream to 68.6 cents a pound -- 75 percent of the parity price.

This further action was taken because the parity price published at 3:00 P.M. on April 1 was higher than was anticipated when the support price of 68 cents a pound was announced earlier on April 1.

In order to carry out the higher support level, the support buying prices for butter will be half a cent a pound higher than was announced at that time.

The new support buying prices for butter produced on and after April 1, 1969, will be as follows:

	Cents per pound
Butter, U.S. Grade A or higher:	
New York, N.Y., and Jersey City and Newark, N.J.	68.50
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	67.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	67.50

The price of butter located at any other point will be the price at designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad freight rate per pound gross weight for a 60,000 pound carlot, in effect when the offer is accepted, from such point to such designated market.

The buying prices for U.S. Grade B butter will be 2 cents less than the prices for U.S. Grade A butter.

Following are the CCC sales prices for butter, revised in line with the new support price for butterfat announced today:

UNRESTRICTED USE:

Announced prices, under MP-14: 75.25 cents per pound -- New York, Pennsylvania, New Jersey, New England, and other States bordering the Atlantic Ocean and Gulf of Mexico. 74.5 cents per pound - Washington, Oregon, and California. All other States 74.25 cents per pound.

This amends the CCC Monthly Sales List for April 1969.

USDA 1022-69

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