

California Dairy Industry, 1975

anticipated 80% expansion in state's population expected to change present balances between production and consumption

R. L. Simmons and R. G. Bressler

A population of 24 million—anticipated by 1975—probably will cause California to become a deficit state in the production of fluid milk products.

Studies of trends in farming in the 11 western states—with an expected regional population increase of 67% before 1975—suggest that California should contribute about half of a regional increase in milk production from 14.8 billion pounds of milk in 1955 to some 23 billion pounds in 1975. In spite of a change in California's milk production from 7.3 billion pounds per year in 1955 to 12.0 billion pounds in 1975, the state's output will lag behind population growth and demands for milk and other dairy products.

Regional Deficit

At present Idaho, Utah, and Montana are the only states in the western region that produce surpluses in terms of total dairy products. The region has a total deficit equivalent to some 2.2 billion pounds of farm milk production. This deficit is offset by shipments of such products as butter and cheese from Missouri, Iowa, Minnesota, and Wisconsin. By 1975, the regional deficit will probably amount to nearly 10 billion pounds of milk equivalent—equal to all butter consumption plus half of the consumption of other manufactured products in the region. Idaho probably will remain an important surplus producing state while Washington and Utah may produce in excess of local requirements. But greater and greater in-shipments of manufactured dairy products from the Midwest will be needed to meet the demands of the rapidly growing population on the West Coast.

California Production

The greatest factor in California dairy production is anticipated to be increasing production per cow. The state average production currently is about 8,600 pounds per cow per year, and is expected to increase to approximately 10,000–11,000 pounds.

In southern California dry-lot dairy farms are expected to increase in size, with 1,000-cow farms perhaps typical. But the population of southern California

is expected to more than double, and force the migration of dairies toward the desert and north into the Central Valley. Eventually such migration will bring a decline in the importance of dairying—and other agriculture—in southern California.

Forecasts for the San Joaquin Valley include an expansion of dry-lot dairying, with high production made possible through the use of shade, humidity control, refrigerated water, and perhaps even air conditioning. Farther north, where dairying already occupies most of the land well adapted to the enterprise, the major changes should be more intensive feeding and higher yields per cow. Such changes will be encouraged by the growing shortage of market milk supplies, which will mean higher composite prices for San Joaquin dairy farmers.

The Sacramento Valley may be the big new dairy area, providing important supplies for the Bay Area as well as for Sacramento and other northern cities. The continued development of irrigated land will provide favorable dairy conditions, and milk cows should be able to compete effectively for the heavier soils in the Valley.

The Central and North Coast are good dairy districts and—with continued improvements in transportation and increasing demands for milk—may shift from manufacturing milk to Grade A production. But natural conditions favor high seasonal variation and this—plus the preferences of many farmers in these districts—suggests that manufacturing milk operations will continue to dominate.

Distribution

California—as is all of the United States—is becoming more super-market and shopping center conscious. More than 60% of total retail food sales are through large super-markets, with the volume divided about evenly between chains and independents.

Store milk sales are increasing in most sections of the country while home milk delivery is decreasing—a trend that seems certain to continue—and as volume shifts from retail routes, the cost disadvantage of home delivery is increased. The next 15 years may well see the near-

elimination of the home delivery type of business.

The recent redevelopment of interest in concentrated milk and the increases in sales of skim and whole powder, give added force to the trend of milk sales to stores. Store sales of milk may eventually be on a basis comparable to that for any canned food which would mean less location advantage for nearby milk producers, and a greater centralization of dairy production and processing in the North Central states.

Product Acceptance

A possible alternative to the complete industrialization of the milk business would be a strong consumer acceptance of concentrated fresh milk. A system based on once-a-week delivery of concentrated fresh milk might compete effectively with store sales and may well be the major development in the dairy industry as California's population climbs toward the 24 million mark expected to be reached by 1975.

R. L. Simmons is Assistant Specialist in the Agricultural Experiment Station, University of California, Berkeley.

R. G. Bressler is Professor of Agricultural Economics, University of California, Berkeley.

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William F. Calkins *Manager*
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