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## Dairy Plight Shows Little Progress Since Benson's Challenge

**Storage stocks have soared since last years . . . Increased domestic consumption still regarded as answer, but how?**

A YEAR AGO THIS June, Secretary Benson told the members of the American Dairy Association that he would, in effect, give the dairy industry a year to get its house in order and find adequate markets for dairy products. He told them that the Department of Agriculture would support dairy prices for a year at 90% of parity, and during that year he believed the industry would be able to find adequate outlets for its products. The Secretary also said: "If the government owns any appreciable amount of butter when 1954 arrives, I hope we will all frankly admit our failures. Let's face the facts and be prepared to act accordingly." (AG AND FOOD, May 27, 1953, page 354). As the anniversary of Benson's speech passes, he and the industry are facing some rather blunt facts.

By June of this year, on the anniversary of the Secretary's gauntlet speech, the Commodity Credit Corp. had in storage about 350 million pounds of butter, 480 million pounds of cheese, and 598 million pounds of dried milk. These are regarded as equivalent to "appreciable quantities of butter."

### Promotion Helps Some

The record of the past year does not, however, seem to justify the implication of total failure which might be gained by an examination of CCC warehouses. The dairy industry has been supporting a nationwide promotion campaign to stimulate consumption of dairy products. Industry spokesmen are painfully aware that if the American people were drinking as much milk now as they did in 1945 there would be no surplus.

The dairy industry has been caught in an increasingly narrow squeeze of increasing production and decreasing consumption. This situation reached a new

peak last year. Milk production went to an all-time high of 121 billion pounds, 1.5 billion pounds above any previous year. Per capita consumption of dairy products, however, continued to decline. As a result, the Government bought more than 1.6 billion pounds of dairy products in the year ending April 1, 1954.

The USDA has made extensive efforts to find outlets for these surplus stocks. The Government was able to dispose of about 180 million pounds of butter, 160 million pounds of cheese and 715 million pounds of dried milk in the past year. The majority of the cheese and butter, and some of the milk went into foreign relief programs. Disposition of the milk stocks was more successful because since May about 380 million pounds of dried milk have been sold for use in poultry and animal feeds.

The CCC has not been able to get a price equal to the original cost of these commodities, but even selling at a loss seems better than not selling at all.

Attempts to find export markets for dairy products have been almost universally discouraging. Even "giveaway

