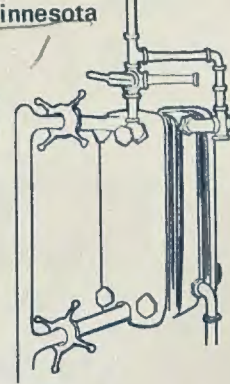
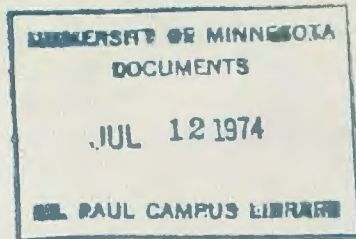


3 MINNESOTA DAIRY PRODUCTS PROCESSOR



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A LOOK AT OUR INDUSTRY

We've been taking a look at dairy Extension programming needs for Minnesota, and in the process have drawn together some statistics that may be of interest to you. For this issue of MDPP, we'll isolate a few pertinent "happenings" and pass them on.

THE DAIRY BELT

Dairying in Minnesota continues to concentrate in the "dairy belt," that narrow strip of Minnesota agriculture running northwest across the center of the state. We've included a map showing those counties (shaded area) more or less committed to dairying if for no better reason than lack of suitable alternatives. Our selection includes 33 counties with one or two "swing" counties, which, depending upon future trends, might gravitate toward (and have the needed versatility to do so) some other agricultural enterprise.

Using the latest figures available, we summarized the contribution of these counties to Minnesota dairying. These figures are shown in Table 1.

Table 1. Summary of dairy statistics for "Dairy Belt" and other counties

<u>Item</u>	<u>"Dairy Belt"</u>	<u>As % of Total</u>	<u>Other than "Dairy Belt"</u>	<u>As % of Total</u>
Number of dairy farms	24,777	65	13,400	35
Milk cows on farms	664,300	71	266,500	29
Average herd size	26		20	--
Milk production (million pounds)	6,676	71	2,704	29
Estimated income (million dollars)	331.2	70	138.5	30

THE REST OF THE STATE

What's left over after dairy belt counties are removed from the picture is shown on the map. In total it represents about one-third of the milk production and one-third of the dairy farms. Whereas average herd size in dairy belt counties numbers approximately 26 cows, nonbelt herd size is about 20 animals. The various sections on the map for which data are tabulated represent regional development classification, in all cases exclusive of dairy belt counties.

TREND TO BULK CONTINUES

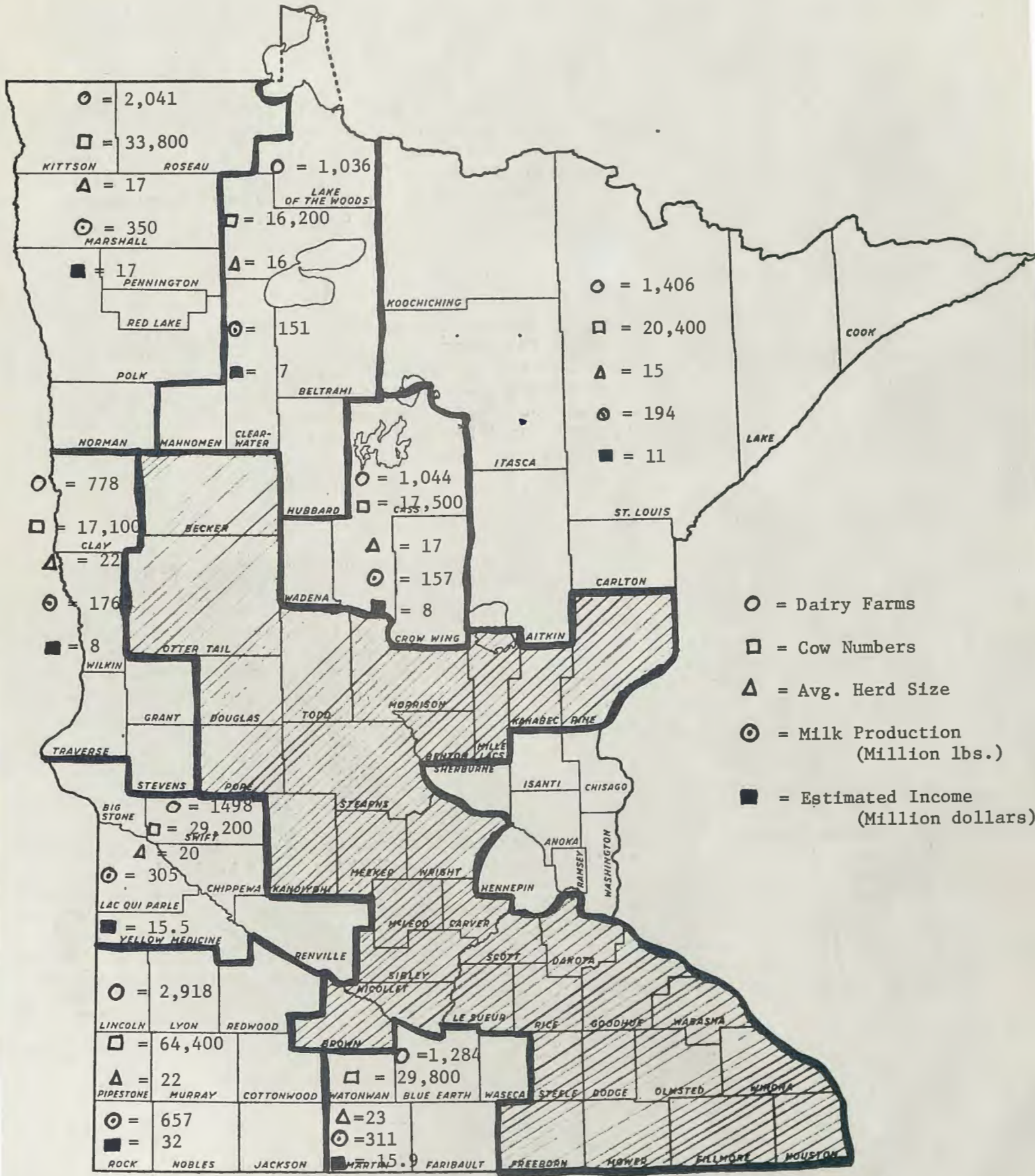
Among other reasons, increased cost of hauling milk in cans will likely continue to exert pressure on dairymen to convert to bulk. Grade A milk, which is all bulk, will shortly be pushing 40 percent of the state's milk production. Some manufacturing milk--20 percent or thereabouts--is still handled in cans. As percentage of the total milk volume, bulk has the lion's share at over 75 percent. Our guesstimates would put bulk at 80 percent by 1975, 90 + percent by 1980. Anybody care to take issue? Our crystal ball isn't all that clear.

HERD SIZE AND FARM NUMBERS

Dairy farm numbers continue to decline, along with farm numbers in general. Right at the moment we have about 36,000 dairy farms. A good three-quarters of those farms have 10- to 50-cow dairy herds. Our beclouded crystal ball would program 1975 for 33,000 dairy farms, 1980 for 28,000. By the latter date we might expect about 75 percent of these farms to be operating at herd sizes of 30 and over, with a significant increase, possibly 8-9,000 farms, of herds in the 50 and over category. Again, these are only guesses, but they point up potentially significant changes in the way we'll be operating and the kind of technical demands that will be placed on dairymen, industry, and regulatory agencies.

DON'T COUNT DAIRYING OUT

The tendency, in a cursory look at these figures, is to view dairying as a declining (if not worse) agricultural enterprise. Nothing could be further from the truth. Excluding any form of death blow through the vagaries of governmental (political) action, Minnesota will continue as a major contributor to the nation's milk supply. In 1973 this state alone accounted for slightly over 8 percent of the total. Add on Wisconsin, New York, and California, and you have 41.5 percent. Short of some unaccountable catastrophe Minnesota should increase its share of the milk market of this nation in the years ahead.



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