Dairymen Enjoy

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products increased about 2.5 percent from the same months of 1971. Sales of manufactured dairy products gained, while the milk equivalent of fluid product purchases held steady.

Factors contributing to increased purchases are:

(1) Increasing disposable incomes.

(2) Relatively small gains in retail dairy prices.

(3) Agressive dairy promotion programs.

(4) Rising meat prices.

(5) The broadened food stamp program.

Among manufactured products, largest sales gains this year have been recorded by hard cheeses. Consumers also bought more butter, cottage cheese, and frozen desserts. But canned milk sales continued to trend downward.

Although nonfat dry milk commercial usage dropped about 2 percent in January-July, sales have been above a year earlier since May.

During the past decade, decreased use of nonfat dry milk by the baking industry was offset by larger utilization in dairy products, in confectionery products, and in direct consumer sales. Whey and blends have been substituted for powdered milk in bakery products.

The single largest user of nonfat dry milk in 1971 was "other dairy products." This use, primarily in fortifying fluid milk products, has increased substantially in recent years. Nonfat dry milk packaged for home consumption—the second largest use in 1971—has trailed off some in the past 2 years.

In 1971, consumer purchases of nonfat dry milk were equivalent to about 2½ billion pounds of fluid skim milk, about 21 percent of fluid lowfat and skim milk consumed or 4 percent of total fluid product sales.

Fluid milk sales continue to show strength. In major urban markets, January-May sales of all fluid items (product pounds) were up about 2 percent. Consumers bought 11 percent more fluid skim and lowfat milk products, and about 2½ percent more cream items.

Although still running below year-earlier levels, the decline in whole milk sales this year could be the smallest since 1966. Consumption of milk and cream mixtures continues to fall.

Consumers are buying much more cheese this year. Commercial disappearance rose a whopping 11 percent over a year earlier during January-July 1972, about twice the 6 percent annual growth rate of the past 4 years. Most varieties showed good gains.

Why the big jump in cheese sales? Some of the reasons include:

(1) Higher meat prices have turned consumers to cheese as an alternative source of protein.

(2) Rising incomes have stimulated purchases. Research indicates a 10 percent rise in consumer incomes is associated with a 2 to 5 percent increase in cheese purchases.

(3) Greater use of the food stamp program makes cheese more widely available to lower income families.

(4) Gains in retail cheese prices, although up around 3 percent so far this year, have slowed from the 6 percent average of the past 3 years.

(5) Pizza's popularity continues, stimulating use of Italian-type cheese; demand for cheeseburgers and snacks which use processed cheese also is unabated.

(6) Consumer tastes are shifting to more exotic foods using foreign type cheeses.

(7) Cheese in used increasingly as an ingredient in other foods. And use of cheese foods and spreads and specialty cheeses has become fashionable.

In recent years, retailers have emphasized cheese display and promotion. The wide variety of cheese packages and types now available is adapted to almost any consumer taste, and has contributed to increased consumption. Improvements in quality and uniformity have also helped consumption.

Cheese consumption in 1971 rose 5 percent to 12.1 pounds per person. Both American and other varieties showed good gains with consumers eating 7.4 pounds of American cheese and 4.7 pounds of other-than-American varieties.

Per capita consumption of Italian-types hit 2.3 pounds last year, 12 percent above 1970. The leading gainers among Italian varieties were Parmesan and Mozzarella. Mozzarella, with a per capita consumption of 1.4 pounds, is second to Cheddar in popularity.