

Locating Milk Production Surpluses

BY BLAIR SMITH

Finger-pointing at the presumed generators of milk surpluses has become more emphatic in recent years because the 1985 farm bill specifically ties the sup-

port price to expected surpluses, and several downward adjustments in the support price have already taken place. Below are some data that might help put this issue in better perspective:

Region* or state	Percent of U.S. total milk production				Production as a percent of population	
	1970	1987	1970	1987	1970	1987
Northeast	20.7	19.8	26.3	23.0	78.7	86.1
Lake states	27.9	28.4	8.4	7.6	332.1	373.7
Corn belt	14.8	11.5	17.0	14.9	87.1	77.2
Northern plains	5.0	3.8	2.5	2.3	200.0	165.2
Appalachian	7.0	5.9	9.5	9.6	73.7	61.5
Southeast	3.5	3.1	8.6	10.4	40.7	29.8
Delta states	2.4	1.7	3.8	4.0	63.2	42.5
Southern plains	3.7	3.8	6.8	8.2	54.4	46.3
Mountain	4.0	5.5	4.1	5.4	97.6	101.9
Pacific	10.8	16.4	13.1	14.7	82.4	111.6
Wisconsin	15.8	17.4	2.2	2.0	718.2	870.0
California	6.1	12.6	9.8	11.0	62.2	114.5
New York	8.8	8.0	9.0	7.4	97.8	108.1
Minnesota	8.2	7.3	1.9	1.8	431.6	405.6
Pennsylvania	8.1	7.1	5.8	5.0	139.7	142.0
Texas	2.6	3.0	5.5	6.9	47.3	43.5

* The states that are included in each region appear on page 9 of the July 1988 Dairy Situation and Outlook Report. This information may also be obtained from the author

To help understand these figures, look at the line for Pennsylvania. In 1970 Pennsylvania dairy farmers produced 8.1 percent of all the milk, and the state contained 5.8 percent of all the peo-

ple, in the United States. If one assumes each Pennsylvanian consumed the same total quantity of milk in all forms and products as citizens everywhere in the United States (and we ignore exports, imports, and carry-over stocks), then Pennsylvania dairy farmers

produced an apparent surplus of 39.7 percent of production over consumption. By 1987, share of population had gone down more than share of production, so the presumed surplus increased to 42.0 percent.

Space does not permit further comment or analysis in this News-

letter, so please draw your own additional conclusions as you see fit. Some of you will like what you see. Others will not. This certainly is not the only way to look at the issue of surpluses, but it does provide an alternative perspective I've not yet seen presented elsewhere.



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