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CACHE VALLEY IS DAIRY COUNTRY

by

Rondo A. Christensen

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Dairy products continue to make up a popular and nutritious part of our diet. Per capita consumption of cheese increased 60 percent during the last ten years, and consumption of low-fat fluid milk products more than doubled. Consumers in Cache Valley are fortunate in that they live in the heart of a milk production and manufacturing area. Dairy products are in plentiful supply from local businesses. Consumers can have dairy products delivered to their door, buy them from the supermarket, or purchase direct from local producer/distributors. Many enjoy going to one of the local cheese plants to stock up on their favorite varieties of Swiss, Cheddar, Monterey Jack, flavored combinations, or just plain cheese curd.

Cache Valley's fertile crop and pasture lands, available water supply, people, and strategic location with respect to Intermountain and West Coast markets have combined to make the area one of the nation's important dairy centers. Cache County is Utah's most important dairy county and accounts for one-fourth of the milk produced in the state. Franklin County ranks third in production of milk in Idaho.

Three cheese manufacturing plants operate in the Valley. They include Gossner's Cheese Factory in Logan, Cache Valley Dairy Association in Amalga, and Western Dairymen's Cooperative Association in Richmond.

They manufacture and market locally, and throughout the West, about 3.8 million pounds of natural cheese per month. About twice this much cheese is imported into the Valley, cut and wrapped in consumer-size packages, or processed into specialty cheese products, and then sold throughout the United States. Firms engaged in this activity include Clearfield Cheese Company in Wellsville, L. D. Schreiber in Logan, and Mountain Farms Cheese Shop in Hyde Park. Stark Company in Logan uses locally available whey powder to make dairy products which are marketed to bakeries throughout the area.

In addition to these manufacturing and processing plants, Western General Dairies assembles Grade A milk from the Valley and delivers it to Grade A processing plants in Ogden and Salt Lake City. They in turn, as well as Meadow Gold Dairies, operate local wholesale distribution centers for packaged Grade A milk and dairy products. These, together with chain food stores and a number of local producer/handlers, supply us with the fluid milk and cream, ice cream, cottage cheese, and other dairy by-products that we consume in the Valley. Utah State University operates a milk plant and supplies fluid milk and dairy products for sale on campus.

The dairy industry makes up a vital part of the Cache Valley economy. Dairy processing, manufacturing and wholesale distribution plants provide employment for about 1,500 people and put into the community a monthly payroll of about \$900,000. This is about 7 percent of the non-agricultural work force and payroll in Cache County. In addition, they provide a market for about 50 million pounds of milk per month produced by 950 farmers in the Valley and surrounding areas. Checks going out to these producers currently amount to about \$5,500,000 per month. In addition,

it is estimated that local dairy firms spend about as much on new equipment and facilities, interest, insurance, taxes, utilities, repairs, and other goods and services as they do on labor. Many of these dollars also go into the economy of the Valley.

Dairy products continue to be a good consumer buy. Nationally for example, with 1967 = 100, by October 1978 the consumer price index of all items had risen to 200.9, all food was 216.8, but the price index for dairy products was only 191.1 (see list of consumer price indexes below). From a relative point of view, the price of dairy products was down 5 percent compared with all consumer items as a group, and down 12 percent compared with all food.

U.S. Consumer Price Index, October 1978 (1967=100)

Consumer price index, all items	200.9
Consumer price index, less food	196.7
All food	216.8
Food away from home	224.6
Food at home	215.4
Meats	215.3
Beef and veal	211.3
Pork	218.7
Poultry	177.3
Fish	281.7
Eggs	159.1
Dairy products	191.1
Fats and oils	216.3
Fruits and vegetables	216.3
Fresh	221.5
Processed	212.5
Cereals and bakery products	205.1
Sugar and sweets	262.3
Beverages, nonalcoholic	340.4

Consumers in Cache Valley get an additional break. Milk is about 8 percent less expensive here than in the nation as a whole. The price of a half gallon of homogenized milk in stores in October, 1978, was 82 cents in Logan. The average price in 211 cities throughout the

United States was 92 cents. The price was 84 cents in Salt Lake City and Reno, 94 cents in Denver, 96 cents in Boise, and 99 cents in Cheyenne. In the South, the price per half gallon of milk was as high as 115 cents in Vicksburg, Mississippi.

It looks like 1979 will be a good year for the dairy industry. Producers can expect a continuation of strong demand for milk and dairy products, and consumers can expect dairy products to continue to be a good buy in relation to the price of other food items and in relation to their incomes.