

**UNITED STATES TARIFF COMMISSION**

**BLUE-MOLD AND CHEDDAR CHEESES**

**Report to the President**  
on  
**Investigation No. 22 - 6 (Supplemental)**  
**Under Section 22**  
of the  
**Agricultural Adjustment Act, as Amended**



**TC Publication 32**

**Washington**  
**September 1961**

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REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
Washington, September 1, 1961.

To the President:

Pursuant to your request, the U.S. Tariff Commission has made an investigation under section 22(d) of the Agricultural Adjustment Act, as amended, supplemental to its investigation No. 6 under section 22 of the said act, to determine whether the existing import quotas on

blue-mold (except Stilton) cheese, and cheese and substitutes for cheese containing, or processed from, blue-mold cheese [hereinafter referred to collectively as blue-mold cheese]; and Cheddar cheese, and cheese and substitutes for cheese containing, or processed from, Cheddar cheese [hereinafter referred to collectively as Cheddar cheese],

established by Proclamation No. 3019 of June 8, 1953 (3 CFR, 1949-1953 Comp., p. 189), or either of such quotas, should be enlarged or eliminated, and herein reports the results thereof.

Notice of the institution of the supplemental investigation was given by posting a copy of the notice at the office of the Commission in Washington, D.C., and at its office in New York City, and by publication in the Federal Register (26 F.R. 4978) and in the June 1, 1961, issue of Treasury Decisions. Copies of the notice were also sent to press associations, to trade and similar organizations of producers, and to importers, known by the Commission to have an interest in the subject matter of the supplemental investigation. Said notice included a notice of a public hearing to be held in connection with the supplemental investigation; the hearing was duly held on July 18, 19, and 20, 1961, and all interested parties were given opportunity to be present, to produce evidence, and to

be heard at such hearing. In addition to the information submitted at the hearing, the Commission obtained information pertinent to the supplemental investigation from its files, from briefs of interested parties, from the U.S. Department of Agriculture, and from other appropriate sources.

### Finding

On the basis of the supplemental investigation, including the hearing, the Commission finds <sup>1/</sup> that the circumstances which led to the imposition of the existing quotas on blue-mold cheese and on Cheddar cheese by Proclamation No. 3019 of June 8, 1953, as amended, have not so changed that either of the said quotas could be enlarged or eliminated without resulting in material interference with the price-support program of the Department of Agriculture with respect to milk and butterfat. Accordingly, the Commission makes no recommendation for the modification or the elimination of either of the said quotas.

### Considerations Bearing on the Foregoing Finding

#### Introduction

This investigation was instituted by the Tariff Commission on May 31, 1961, at the request of the President, and was undertaken under the authority of section 22(d) of the Agricultural Adjustment Act, as amended,

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<sup>1/</sup> Because of a vacancy, only five Commissioners are in office. Of these five, only three Commissioners participated in the decision in this case, Commissioner Talbot being absent on leave and Commissioner Overton being absent because of illness.

for the sole purpose of determining whether the quotas on blue-mold and Cheddar cheeses, or either one of them, "should be enlarged or eliminated."

Investigation No. 6, to which this investigation is supplemental, was instituted at the request of the President because section 104 of the Defense Production Act of 1950, as amended, was scheduled to expire on June 30, 1953. The importation of the cheeses herein considered, as well as that of other dairy products, had been restricted under the provisions of section 104. The Commission determined that, if section 104 should expire, the imposition of similar restrictions under section 22 would be necessary to prevent certain dairy products from being imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the U.S. Department of Agriculture's price-support program for farm-produced milk and butterfat, or to reduce substantially the amount of certain dairy products processed from such price-supported products. The annual import quotas recommended by the Tariff Commission in that section 22 investigation were proclaimed by the President on June 8, 1953, to become effective July 1, 1953, if section 104 should expire as scheduled. <sup>1/</sup>

The Tariff Commission has conducted several supplementary investigations on specific dairy products since 1953. In July 1955 it rejected the request for modification of the June 1953 proclamation with respect

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<sup>1/</sup> T.D. 53289. Sec. 104 of the Defense Production Act of 1950, as amended, did expire as scheduled on June 30, 1953, and the proclaimed restrictions under sec. 22 went into effect the following day.

to the definition of Italian-type cheeses. <sup>1/</sup> In March 1957 the Commission recommended a quota on butter substitutes, including butter oil, containing 45 percent or more of butterfat, and in July 1957 it recommended an embargo on certain articles containing 45 percent or more either of butterfat, or of a combination of butterfat and other fat or oil. The President issued proclamations providing for the imposition of quotas for the remainder of 1957 and for subsequent years on the aforementioned butter substitutes, <sup>2/</sup> and for the prohibition, effective August 8, 1957, of the importation of certain other articles containing butterfat. <sup>3/</sup>

In April 1960 the Commission recommended an increase in the quotas on Italian-type and Edam and Gouda cheeses following its investigation on them, because it found that the dairy situation had improved to such an extent that liberalization of the import quotas would not adversely affect the price-support program for milk and butterfat. The annual import quota for certain Italian-type cheeses was subsequently increased by 2,300,000 pounds, and the import quota for Edam and Gouda cheese by 4,600,200 pounds effective July 1, 1960. <sup>4/</sup> Imports for the 12-month

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<sup>1/</sup> The modifications suggested by the Department of Agriculture as being necessary could not, in any event, have been made pursuant to the 1955 investigation, because they would have involved the imposition of import restrictions on products not then subject to restriction, an action which cannot be taken on the basis of a supplemental investigation; a new proceeding under sec. 22 would be required to permit such an action.

<sup>2/</sup> T.D. 54345; proclamation dated Apr. 15, 1957.

<sup>3/</sup> T.D. 54416; proclamation dated Aug. 7, 1957. Excluded from the embargo were (1) articles the importation of which was restricted pursuant to existing sec. 22 quotas; (2) cheeses the importation of which was not restricted by quotas established pursuant to sec. 22; (3) evaporated milk and condensed milk; (4) products imported packaged for distribution in the retail trade and ready for use by the purchaser at retail for an edible purpose or in the preparation of an edible article; (5) articles containing butterfat and other fat or oil, if the importer establishes to the satisfaction of the collector of customs that the butterfat content thereof is less than 45 percent.

<sup>4/</sup> 25 F.R. 4343, May 17, 1960.



period ending June 30, 1961, increased 9.6 percent for Italian-type and 57 percent for Edam and Gouda cheeses over those in the comparable period a year earlier. The unused import quotas amounted to 3.6 million pounds for Italian-type cheese and 2.5 million pounds for Edam and Gouda cheese for the quota year ending June 30, 1961. Although precise data are not available it appears that the domestic production of Italian hard-type cheese also increased during this period.

Many important dairy products are not subject to section 22 import quotas. Among these are fluid milk, cream, and buttermilk, which are perishable and difficult to ship; condensed and evaporated milk, which the United States exports in appreciable quantities; and specialty cheeses such as Roquefort and other sheep's-milk cheeses, of which there is no known commercial production in the United States. Import quotas apply to most dried milk products, butter (including butter oil), Italian-type cheeses made from cow's milk, Edam and Gouda cheeses, blue-mold cheese, and Cheddar cheese. The milk equivalent of all the section 22 quotas presently in effect on dairy products is 273 million pounds, equal to about 0.2 percent of total milk production in the United States in 1960, 0.4 percent of such milk used in manufactured dairy products, and 9 percent of the 1960 Government price-support purchases.

#### Customs treatment

Import duties.---The tariff classifications for the cheeses which are the subject of this section 22 investigation are provided for in paragraph 710 of the Tariff Act of 1930, as modified. The principal provisions are as follows:

<u>Tariff classification</u>	<u>Current rate of duty</u>
Blue-mold cheese, in original loaves, valued over 20¢ per pound-----	15% ad valorem
Cheddar cheese, not processed other- wise than by division into pieces, valued over 20¢ per pound-----	15% ad valorem
Other cheese and substitutes for cheese (including that containing or processed from either blue-mold or Cheddar cheese), <u>1/</u> valued over 25¢ per pound-----	20% ad valorem

1/ Includes blue-mold cheese not in original loaves.

These are the current rates of duty applicable to almost all the blue-mold and Cheddar cheese that is imported. A rate of 3 cents a pound is provided for blue-mold cheese in original loaves and Cheddar cheese not processed other than by division into pieces, when valued at not over 20 cents a pound; and a rate of 5 cents a pound is provided for other cheese and substitutes for cheese when valued at not over 25 cents a pound. (Imports of the latter have been very small.) All the duty rates previously mentioned are reduced rates pursuant to trade agreement. The original (statutory) rate of 7 cents per pound but not less than 35 percent ad valorem would apply to imports from Communist-dominated nations or areas designated by the President pursuant to section 5 of the Trade Agreements Extension Act of 1951, but there have been no imports from such nations or areas since World War II.

Quotas.--The following section 22 import quotas, which are still in effect without modification, were proclaimed by the President in June 1953 on blue-mold and Cheddar cheeses for each subsequent 12-month period beginning July 1:

<u>Item</u>	<u>Quantity (pounds)</u>
Blue-mold (except Stilton) cheese, and cheese and substitutes for cheese containing, or processed from, blue-mold cheese-----	4,167,000
Cheddar cheese, and cheese and substitutes for cheese containing, or processed from, Cheddar cheese-----	2,780,100

#### Licensing arrangements

The Presidential proclamation of June 1953 imposed quantitative limitations on imports of blue-mold and Cheddar cheeses from all countries. It directed the Secretary of Agriculture to license imports under regulations that would provide an equitable distribution among importers and users and to allocate the shares among supplying countries in proportion to the amounts supplied during a representative period. The Secretary was further directed not to issue licenses in excess of the established quotas, and during the first 4 months and the first 8 months of each quota year, to limit the licenses to one-third and two-thirds, respectively, of these quotas.

The Administrative regulations established by the U.S. Department of Agriculture pursuant to the above-mentioned Presidential proclamation are found in part 6 of title 7 of the Code of Federal Regulations. <sup>1/</sup> These regulations set forth in considerable detail the policies and procedures to be followed with regard to applications for and issuance of import licenses. The quota base for all importers of cheese is established generally on the basis of their imports during the period January 1, 1948,

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<sup>1/</sup> There has been one recent modification, which reinstates the requirement for "through bills" of lading.

through December 31, 1950, or, if they did not import during the foregoing period, during the period January 1, 1951, through August 8, 1951. The licenses are usually issued for a specified class of cheese imported directly from a specific country through a specified port of entry. The licenses may not be transferred or assigned except as authorized in writing by the Department of Agriculture. With regard to blue-mold and Cheddar cheese, the regulations contain only a nominal provision for the entrance of new importers. Under certain conditions of hardship importers are permitted to shift their allocations, in part, from one country of supply to another.

#### Description of products

Blue-mold cheese.--Blue-mold cheese is a semisoft blue-veined cheese made from cow's milk. The milk or the curd is inoculated with Penicillium roqueforti mold and cured for at least 60 days at controlled temperatures and humidity, which gives it its characteristic flavor and color. Gorgonzola and Stilton are types of blue-mold cheese; only the former is subject to the import quota.

Standards established by the U.S. Food and Drug Administration require that to be marked blue-mold cheese the product must contain not more than 46 percent moisture and not less than 50 percent milkfat on a dry-weight basis. The U.S. Bureau of Customs has ruled, however, that imitation blue-mold cheese containing slightly less than 50 percent milkfat on a dry-weight basis is subject to the quota and the duty under paragraph 710 of the Tariff Act of 1930, as modified, pertaining to blue-mold cheese. The U.S. Department of Agriculture has not established any quality standards on this cheese.

Blue-mold cheese is usually imported in round loaves weighing 5 to 6 pounds each. A very small proportion enters in small individually wrapped packages.

Cheddar cheese.--Cheddar cheese is a firm cheese normally of yellowish-orange color made from cow's milk by the Cheddar process. It should contain not more than 39 percent moisture and not less than 50 percent milkfat on a dry-weight basis. It is usually imported in the form of cheddars (large wheels weighing 80 to 90 pounds). While it could also be imported in process form by itself or in mixtures with other products (i.e., cheese and substitutes for cheese containing or processed from Cheddar cheese), little, if any, has been imported in this form in recent years. However, process Cheddar cheese <sup>1/</sup> is produced and consumed in the United States in large quantities.

Standards applicable to both domestic and imported Cheddar cheese have been established by the U.S. Department of Agriculture. Such standards differentiate this cheese not only by quality (i.e., grades AA, A, B, and C) but also by age (fresh, medium-cured, and aged). Most of the Cheddar cheese consumed in the United States is not graded by the Federal Government, but practically all of the Cheddar cheese produced in Wisconsin is graded by that State.

The domestic dairy situation and the price-support program

Milk production by area.--The regional production of milk for sale to consumers in fluid form is roughly proportional to the geographical distribution of population throughout the United States. This wide distribution of productive facilities exists because of the perishable and bulky nature of the product. Milk for fluid use, and that used on

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<sup>1/</sup> Process cheese is made by grinding and mixing together several lots of one or more varieties of cheese. Processing also involves heating, stirring, and the addition of emulsifying ingredients.

farms where it is produced, have accounted for slightly more than half of total production in recent years (table 1).

Milk not used for fluid consumption or fed to animals on farms where it is produced, is utilized for butter, cheese, nonfat dry milk, and other manufactured dairy products. In contrast to the situation with regard to milk production for fluid use, milk production for manufacturing purposes is concentrated in a few States. The North Central Region produced and utilized 69 percent of all the whole milk used for manufacturing in 1960. Wisconsin, Minnesota, and Iowa together accounted for more than half of the domestic production of butter, Cheddar cheese, and nonfat dry milk in that year.

#### Price-support program

In many milk sheds prices for milk for fluid use tend to be set at specified premiums above the price of milk used for manufacturing. Because of the high correlation over a period of time between the price of milk for fluid use and that of milk for manufacturing purposes, the Secretary of Agriculture is able to satisfy the mandatory requirement to support prices of all milk produced in the United States, by purchasing only three products--butter, Cheddar cheese, and nonfat dry milk. These three products account for two-thirds of the milk used in manufactured dairy products. Thus an unlimited purchase program on these three products at specified prices <sup>1/</sup> establishes an effective floor price on

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<sup>1/</sup> In practice the purchase prices for these three products are based on historical gross processing margins (average spread between the cost of the product and that of the milk used to produce it) and the support objective for milk for manufacturing.

all milk for manufacturing. Further, this price-support procedure also affects prices paid for fluid milk, because of the fairly rigid relationship that exists between prices of milk for manufacturing and those of milk for fluid use.

The Agricultural Act of 1949, as amended, requires the Secretary of Agriculture to support prices of milk and butterfat to producers at such level not in excess of 90 percent nor less than 75 percent of the parity price at the beginning of the marketing year as will assure consumers an adequate supply of dairy products.<sup>1/</sup> This support objective is accomplished by announcing slightly in advance of the marketing year (beginning April 1) prices at which the U.S. Department of Agriculture will purchase all the butter, Cheddar cheese, and nonfat dry milk which meet its specifications. These prices are so determined that they reflect the announced level of price support to milk producers for manufacturing milk and butterfat within the limits of 75 to 90 percent of parity set by law.

Government purchase prices of the aforementioned three products in comparison with market prices are reported for the past 8 years in table 2. The columns at the right under "Milk for manufacturing" serve as a summary of price-support experience during this period. The purchase prices of the three products combined determine the Commodity Credit Corporation (CCC) support objective for milk for manufacturing (second column from the right).

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<sup>1/</sup> There are actually two parity prices established by law. One relates to all milk sold at wholesale by producers, and the other relates to the butterfat in farm-separated cream sold by producers. They are calculated by multiplying the parity index (compiled on the basis of costs of farmers' purchases, interest rates, taxes, wage rates, etc.) by base prices for milk and butterfat as defined by law. For administrative use in their price-support operations the U.S. Department of Agriculture also determines from the parity price of all milk sold at wholesale a parity equivalent price for manufacturing milk. Announced support levels are usually stated in terms of the parity equivalent price for manufacturing milk.

Table 2 brings out clearly the central role the dairy price-support program has played in determining market prices of milk and dairy products in the United States. As shown in that table, market prices of each of the three products purchased under the support program have usually remained close to Government purchase prices. Consequently, market prices of milk for manufacturing (third column from the right) were close to the support objective. The level of support (last column) declined irregularly from 1956 to the middle of 1960, resulting in a decline in the farm price of milk.

This downward trend in the level of support was reversed by the passage of Public Law 86-799, effective September 16, 1960, and by the actions of the Secretary in March and July 1961. The present support objective of \$3.40 per hundredweight for milk for manufacturing is 11 percent higher than the price of \$3.06 per hundredweight a year ago and is the highest support price since 1953. Commercial demand for the three products purchased under the program had caused market prices to rise above support levels in 1959 and 1960, but such market prices were not as high as the level of Government purchase prices established in July 1961. Consequently, as Government purchase prices were raised above market prices in 1961, increased amounts of these three products were offered to and purchased by the CCC. These Government purchases removed most of the surplus supplies of these three products from the market and caused market prices to rise toward the level of Government purchase prices. Prices of milk for manufacturing received by producers weakened slightly during the spring of 1961 and have been at the support objective



level since it was increased by the action of the Secretary in March 1961. On July 18, Government purchase prices for Cheddar cheese and nonfat dry milk were increased slightly to bring market prices of manufacturing milk up to its announced support objective of \$3.40 per hundredweight.

Milk production declined from its wartime peak to 115 billion pounds in 1951 and 1952, and then increased irregularly to 125 billion pounds in 1956 and 1957 (table 6). The reduction in supports in 1958-59 (table 2), together with sharply rising beef cattle prices in 1957 and 1958, was accompanied by a 2-year decline in milk production. It did not turn upward again until 1960. With the recent increases in the level of price supports and with continued favorable milk-feed price relationships, prospects are for production in 1961 to exceed 124 billion pounds-- 1 percent above that in 1960.

Milk producers made several fundamental changes in their operations during the past decade. They have continued to produce more milk with fewer cows; output per cow, which was about 5,000 pounds in 1947, reached 6,000 pounds in 1956 and 7,000 pounds in 1960. Dairy farmers have been able to accomplish this because of persistent progress in disease control, breeding practices, feeding, and management. The farmers remaining in dairying have continued to expand, and specialize their operations in order to take advantage of improvements in technology, to gain access to better markets, and to offset rising costs. The number of farmers that have remained in dairying during the past decade has been reduced by almost 50 percent. Dairymen have continued to shift to cows producing milk of lower butterfat test and to market a larger proportion

of their production as whole milk rather than as farm-separated cream. Consequently, the proportion of solids-not-fat to milkfat in the total milk production delivered to market has increased appreciably each year.

Notwithstanding the strong demand for cheese, the per capita consumption of milk in all forms has been declining in the United States. The decline is more pronounced for products high in milkfat than for products high in solids-not-fat. These changes in consumer demand on a year-to-year basis have been small but persistent, so that over a period of years their impact has been significant. In 1960, per capita consumption of milkfat in all forms was 25 pounds compared with 30 pounds 10 years before, while per capita consumption of solids-not-fat in all forms increased only from 43 pounds to 44 pounds. Many forces have had an influence in this overall trend. The declining consumption of milkfat is ascribed to the substitution of margarine for butter, and a conscious effort at weight control by consumers. Consumption of solids-not-fat has been maintained by the development of products low in milkfat and through a more general understanding of the nutritional importance of the elements contained in solids-not-fat.

Recent developments.--With the decline in the demand for milkfat and the ability of producers to meet the increased aggregate demand for solids-not-fat from existing production, little increase in milk production has been required to supply the needs of a larger population during the period since World War II. Because the nation has continued to make more efficient use of milk its need for additional production has been less than it otherwise would have. The contrast of the dairy industry with other segments of agriculture during this period is striking.

Compared with the 1947-49 average, in 1960 the output of all crops increased 21 percent; that of all livestock, 26 percent; that of feed grains, 42 percent; and total agricultural output, 27 percent. However, milk production in 1960 was merely 10 percent greater than the 1947-49 average. The present outlook is that this lagging upward trend in milk production will continue for some time.

With milk production running larger in the first 7 months of 1961 than in the first 7 months of 1960, and with the quantity utilized in fluid milk products virtually unchanged, more milk has been available for manufactured products. As a result there was a higher production of almost all the major manufactured dairy products during the first 6 months of 1961 than in the same period of the preceding year; butter increased by 4 percent, Cheddar cheese by 17 percent, and nonfat dry milk by 4 percent. Part of the increased production of cheese will probably move into civilian consumption since it is evident there was an unusually strong civilian demand for Cheddar cheese in the last half of 1960. However, the bulk of the increased production of Cheddar cheese, as well as that of butter and nonfat dry milk, will go into Government stocks in 1961. Since March 1961, CCC purchases of these products under the Government price-support program have been substantially higher than they were a year earlier.

Purchases by the U.S. Department of Agriculture.--The amounts of butter, Cheddar cheese, and nonfat dry milk purchased under the price-support program since 1953, which are shown in table 3 by calendar years, have varied considerably from year to year. From 1953 through 1960, purchases of butter and Cheddar cheese declined. However, purchases

of nonfat dry milk increased in this period (table 3). In the aggregate, purchases of these products have ranged from a low of only 3 billion pounds (milk equivalent), equal to less than 3 percent of domestic production (1960), to 10 billion pounds (milk equivalent), equal to about 9 percent of production (1953). The extent of these purchases, except for the period encompassing the Korean conflict, has tended to be associated with the level of support. During 1958-60, when the level of support was low, they were at the moderate level of 3-5 billion pounds (milk equivalent), equal on the average to about 3 percent of production.

Purchases of butter during the first 7 months of 1961 amounted to 234 million pounds, 67 percent higher than for the same period in the preceding year and higher than for any calendar year since 1954. Purchases of Cheddar cheese increased from 0.3 million pounds for all of 1960 to 37 million pounds <sup>1/</sup> for the first 7 months of 1961, but they were still considerably lower than those for any similar period during the 6 years 1954-59. Nonfat dry milk was purchased in the first part of 1961 at a higher monthly rate than in any earlier period.

Disposition of purchases and cost of the program.--Government programs have been instrumental in maintaining the consumption of fluid milk. The best known of these is the regular school lunch program. In addition, the U.S. Department of Agriculture has encouraged increased consumption in recent years through a special milk program for children and programs for increased consumption by personnel in the military services and by patients in veterans' hospitals. Expenditures for these

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<sup>1/</sup> Stocks on Aug. 25 amounted to 51 million pounds.

latter programs (i.e., other than the regular school lunch program) amounted to \$104 million in 1960. Such expenditures are instrumental in reducing milk surpluses even though they are not directly considered when assessing the cost of price-support operations on dairy products.

Organized disposal programs for Government-purchases of dairy products had to be developed because of the large supplies accumulated under the dairy program. Utilization by years under the various disposal programs and the size of uncommitted stocks at the end of each year are shown in table 3. Since supplies obtained under the program in recent years have usually been utilized quite promptly, uncommitted stocks at the end of the year have not been large, though stocks of nonfat dry milk were larger in 1960 and 1961 than in most earlier years.

The detailed utilization of the products obtained under the dairy price-support program is shown in table 5. The following tabulation briefly summarizes this utilization in total for the 2-year period 1959-60 by destination and by type of transaction (in millions of pounds):

	<u>Total utilization in the 2-year period 1959-60</u>		
	<u>Butter</u>	<u>Cheddar cheese</u>	<u>Nonfat dry milk</u>
By destination:			
Domestic-----	240	48	343
Foreign-----	19	12	1,202
Total-----	<u>259</u>	<u>60</u>	<u>1,545</u>
By type of transaction:			
Sales-----	22	12	439
Transfers-----	172	26	92
Donations-----	65	22	1,014
Total-----	<u>259</u>	<u>60</u>	<u>1,545</u>

The butter and cheese obtained under the support program have been utilized primarily within the United States in recent years, whereas most of the nonfat dry milk has been sent abroad. Most of the butter and a

large part of the cheese have been transferred to other Government agencies for disposition, whereas most of the nonfat dry milk has been given away. Sales have been an important method of disposal for nonfat dry milk only in the past few years. These domestic and foreign aid programs which utilize Government dairy surpluses have now become firmly established by legislation as part of our national policy.

The total financial outlay on the dairy purchase program during the 10 marketing years 1949 to 1958 was \$2.5 billion, composed of \$2.3 billion acquisition cost and \$0.2 billion in carrying charges (this is exclusive of expenditures under the fluid-milk programs). The cash proceeds during this period on sales to private firms amounted to \$0.3 billion, making the recovery rate 14 percent for the Government-at-large and the net financial outlay \$2.2 billion for the period.

Looked at from the point of view of the Commodity Credit Corporation, however, the situation is somewhat different. Transfers to other Government agencies amounted to an additional \$0.5 billion; hence the CCC's recovery rate was 29 percent and its net financial outlay was \$1.7 billion. Actually about half of these disposals were by direct donation under section 416 of the Agricultural Act of 1949, as amended.

U.S. foreign trade in dairy products.---Before World War II this country was a small net importer of dairy products (principally cheese), but since the war it has been a net exporter (table 6). Most of the dairy products exported in recent years have been donations in conjunction with foreign aid programs. Such exports reached a peak equivalent to 5 percent of milk production in 1955 but have since declined to less than 1 percent of production.

As a result of the quota restrictions, total imports of dairy products have been smaller during the postwar period than during 1935-39. They have also remained smaller in volume than "commercial" export sales during the postwar period. <sup>1/</sup> The net export trade in dairy products as a whole was equivalent to 0.5 percent of domestic production in 1959 and to 0.2 percent in 1960; it is estimated to be equivalent to about 0.2 percent in 1961 (table 6).

#### Blue-mold cheese

Domestic production.--In 1960 there were 23 plants which reported production of blue-mold cheese, about the same number as in 1955. Because of the problem of bacteria control, these plants rarely produce Cheddar cheese.

The U.S. production of blue-mold cheese (including Gorgonzola) has increased steadily since 1954, amounting to 15.2 million pounds in 1960, or over 50 percent more than in 1954 (table 7). In the first half of 1961 the official estimate of domestic production (7,840,000 pounds) was at about the same level as in the first half of 1960.

Apparent domestic consumption of blue-mold cheese (production plus imports) also increased by about 50 percent from 1954 to 1960, amounting to 19.4 million pounds in 1960. About 75 percent of the domestic consumption in 1954, and 78 percent in 1960, was supplied by domestic producers.

More than two-thirds of the blue-mold cheese produced in the United States in recent years has been made in Wisconsin; the proportion produced

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<sup>1/</sup> Some of these "commercial" export sales were subsidized by the Commodity Credit Corporation.

in other States decreased from 36 percent in 1955 to 29 percent in 1960. Some of the other States producing this cheese in substantial quantities are Illinois, Indiana, Iowa, and Minnesota.

Imports.--In 1960 there were 113 importers of blue-mold cheese, of which 16 accounted for about 70 percent of the total imports. About two-thirds of the importers are located in New York City; the others have their main offices in other major cities, such as Chicago, New Orleans, and San Francisco. Importers interviewed by the staff in New York City, late in June, accounted for about 60 percent of imports during the year ending June 30, 1961. Most of these importers are long-established dealers in several kinds of domestic and imported cheeses, some are large retailers, and a few are large cheese producers that also assemble and distribute domestic cheese.

Practically all of the imported blue-mold cheese (more than 95 percent in 1960) enters the United States in the form of 6-pound original loaves or "wheels." The remainder has been imported chiefly in small foil-wrapped pieces, though there were insignificant imports of crushed cheese in barrels. Blue-mold cheese spoils more easily in small wrapped packages than in original loaves.

Denmark supplied 92 percent of the imports during the period 1958-60 (table 8), and its annual allocation of about 3.9 million pounds was filled, on the average, within 2 percent during the 3-year period ending June 30, 1961 (table 9). During the first 2 quota years ending June 30, 1955, imports from Denmark were short of the allocation by 13 percent, but the shortage was only 5 percent for the next 3 years.



More than 80 percent of the blue-mold cheese produced in Denmark in recent years has been exported. In 1959 and in 1960 about 21 percent of the Danish production of blue-mold cheese was shipped to the United States. Exports of such cheese to all countries, as well as to the United States, were somewhat larger in 1960 than in 1959.

Italy has the second largest allocation (about 5 percent of the total) and all imports from that country have been of Gorgonzola, a type of blue-mold cheese which has been declining in popularity. Consequently, even though allocations for Gorgonzola were reduced substantially in most years (table 9), the imports have fallen short of the allocation by about 30 percent for the 3 quota years ending June 30, 1960, and by 23 percent for the year just ended. Some of the unused allocation for Italy was reallocated to other countries.

Channels of distribution.--It is estimated by some of the major domestic producers of blue-mold cheese that well over half of such cheese consumed in this country is used in or on salads. A small part of the cheese so used is purchased in the form of prepared salad dressing; most of the blue-mold dressing however, is prepared at home or in restaurants.

Apparently about 2 million pounds of domestic blue-mold cheese was used in manufacturing prepared salad dressings in 1960, compared with about 100,000 pounds in 1954. In contrast, very little imported blue-mold cheese was so used in either year. <sup>1/</sup> The average reported cost of the domestic cheese used for this purpose in 1960, delivered to the producer's plant, was about 52 cents a pound.

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<sup>1/</sup> Estimates based on reports received by the Tariff Commission from 55 of 63 manufacturers of prepared salad dressings.

There are no data available on the percentage of domestic and imported cheese going into various outlets, but it is estimated by those interviewed by the staff that practically all of the imports and more than two-thirds of the domestic production are sold through retail stores, usually in pieces weighing from 3 to 8 ounces. The stores, mostly chainstores, buy this cheese in round loaves and either cut it themselves or have it cut by custom packagers into small portions for retailing.

The Danish Cheese Export Board, which controls all exports of blue-mold cheese from Denmark, discourages the sale of lower quality cheese to the United States. <sup>1/</sup> No similar restrictions, however, apply to blue-mold cheese exported from other countries.

Prices of domestic and imported cheese.--The price in June 1961, c.i.f. <sup>2/</sup> New York, ex-duty, for Danish blue-mold cheese was 51 cents per pound; in Chicago it was 52 cents per pound, and on the west coast, 53 cents per pound. The importers of this cheese, after paying duty and other costs of importing, sold this cheese in 6-pound wheels for 65-70 cents per pound, f.o.b. dock or warehouse in New York (table 10).

The Danish Cheese Export Board controls both the quality and the price (c.i.f. U.S. port) of blue-mold cheese exported from Denmark. It is the policy of this Board to ship to the United States cheese of uniformly high quality and to fix the price at a level which will yield a price at retail appreciably above that for similar domestic (U.S.)

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<sup>1/</sup> Exhibit No. 29, submitted at the hearing, is a regulation of the Danish Ministry of Agriculture, dated May 23, 1961, forbidding the export of "cheese mixtures of any kind"--except by special permit from the Minister.

<sup>2/</sup> Cost, insurance, and freight.

cheese. <sup>1/</sup> In contrast, domestic blue-mold cheese varies somewhat in quality and price. Prices of both domestic and imported blue-mold cheese in June 1961 were slightly higher than they had been a year earlier (table 10). The New York market prices in early 1960 for both domestic and imported blue-mold cheese were virtually the same as they had been in April 1953 (53-60 cents for domestic and 60-65 cents for imported). Thus, in April 1953, imported blue-mold cheese was selling in New York at about 8 cents per pound more than the domestic product, <sup>2/</sup> the same margin which existed in June 1961. The highest priced domestic brand, however, sold at wholesale at only 2 to 3 cents per pound less than the highest priced imported brand.

Increasing demand for blue-mold cheese.---The increase in the apparent domestic consumption of blue-mold cheese from 13 million pounds in 1954 to more than 19 million pounds in 1960 is due largely to the promotional efforts of the domestic producers and of the Danish Cheese Export Board. Food editors for many U.S. magazines and newspapers have recommended new uses for this cheese, particularly in salads, and the Danish Cheese Export Board has spent a substantial sum in advertising blue-mold cheese in U.S. magazines.

#### Cheddar cheese

Domestic consumption.---Although the per capita consumption of all dairy products in the United States has declined steadily since 1955 (table 1), the per capita consumption of all kinds of cheese has shown an

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<sup>1/</sup> Blue-mold cheese exported to other countries is sold at prices considerably lower than those of such cheese exported to the United States. However, the Board asserts that much of this cheese is of lower quality.

<sup>2/</sup> For a further discussion of this situation, see p. 31 of the Commission's report of June 1953 on specified manufactured dairy products.

upward trend, owing chiefly to the increase in consumption of other than American cheese, as indicated by the following data:

<u>Calendar</u> <u>year</u>	<u>Annual per capita consumption in pounds of--</u>		
	<u>All cheese</u>	<u>American cheese</u>	<u>All other types</u>
1955-----	7.9	5.4	2.5
1956-----	8.0	5.4	2.6
1957-----	7.7	5.1	2.6
1958-----	8.2	5.5	2.7
1959-----	8.1	5.2	2.9
1960-----	8.4	5.4	3.0
1961 (forecast)-----	8.9	<u>1/</u>	<u>1/</u>

1/ Not available.

The increase in cheese consumption in the United States in recent years has been due primarily to the rising popularity of pizzas, cheese-burgers, cheese dips, and cheese spreads--a development which has been actively promoted by cheese producers. Although per capita consumption of cheese in the United States is considerably lower than that in most European countries, 1/ it is higher than that in such countries as New Zealand and Canada, where, as in the United States, the per capita consumption of meat is very high.

Domestic production.--There are some 4,000 domestic producers of Cheddar cheese, most of which ship their fresh product to assemblers for aging and marketing. Most of the assemblers make process cheese, and some make cheese spreads. Wisconsin has accounted for about 45 percent of the total production in recent years, with Minnesota, accounting for less than 10 percent, ranking second. The balance of domestic production is scattered throughout some 20 States.

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1/ In 1958 the per capita consumption in France was 18.4 pounds, in Denmark, 16.7 pounds, and in Italy, 14.9 pounds.

From 1953 through 1960 the domestic production of Cheddar cheese was fairly stable, varying from a high of 1,055 million pounds in 1955 to a low of 947 million pounds in 1959 (tables 7 and 11). Production of 1,003 million pounds in 1960 was 6 percent above that in 1959, and in the first 6 months of 1961, production was 17 percent greater than it was during the same period a year earlier. This sharp increase in production in the first half of 1961 was due partly to the increased civilian demand for Cheddar cheese, partly to a larger supply of milk for manufacturing, and partly to the increase in the Commodity Credit Corporation purchase price for cheese. The price at which the CCC offered to buy Cheddar cheese was increased in March 1961 to 36.1 cents per pound, or about 10 percent above the price of a year earlier. On July 18, 1961, the CCC raised its purchase price to 36.5 cents per pound.

It is estimated by the trade that about 45 percent of the Cheddar cheese produced domestically is used in making process cheese.

Commercial stocks.--An important development in the cheese market during the past year has been the increase in commercial cold-storage holdings of American cheese, <sup>1/</sup> which attained a record height at the end of July of 400 million pounds, or 88 million pounds more than those a year earlier (table 4). Commercial stocks of American cheese <sup>2/</sup> as of July 31 are shown in the following tabulation, in millions of pounds, for the years 1953-61:

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<sup>1/</sup> Virtually all of these holdings are of Cheddar cheese.

<sup>2/</sup> Commercial stocks of cheese are somewhat overstated since complete data on deliveries to the CCC on a warehouse basis were not available at the time of report. Such stocks were unusually large at the end of July 1961 even with allowance for this overstatement.

<u>Year</u>	<u>Commercial stocks</u>
1953-----	205
1954-----	177
1955-----	250
1956-----	273
1957-----	238
1958-----	246
1959-----	302
1960-----	312
1961-----	400

There are two principal reasons why the excess commercial holdings of this cheese have not been sold to the Government. In the first place a large part of these stocks are "in the wrong containers," i.e., barrels which the CCC will not accept. Secondly, no cheese produced prior to an increase in the CCC purchase price can be sold at the higher level, as indicated by the following CCC prices:

<u>Date cheese was produced</u>	<u>CCC purchase price in cents per pound (standard moisture)</u>
After July 18, 1961-----	36.50
March 10, 1961-July 17, 1961-----	36.10
September 17, 1960-March 9, 1961---	34.25
Before September 17, 1960-----	32.75

Thus, it is more profitable for most assemblers of cheese to sell to the CCC from current production, and to sell their older stocks for processing or for distribution through normal trade channels.

Imports and channels of distribution.--Imports of Cheddar cheese, the bulk of which comes from New Zealand in 80-pound cheddars (round, flat wheels), rose to a postwar peak of 13.3 million pounds in 1950. In August 1951, imports were limited by quota, under the authority of section 104 of the Defense Production Act. The annual import quota, which was 9.8 million pounds for the year ending June 30, 1953, was reduced to

2.8 million pounds as a result of the Tariff Commission's recommendation to the President in the section 22 investigation in June 1953. This annual quota has remained unchanged since that time and is equivalent to about 0.3 percent of the domestic consumption of Cheddar cheese and to 7 percent of the average annual purchases of this cheese by the CCC during the 3 years 1958-60.

For the year ending June 30, 1961, New Zealand received an allocation of 80.8 percent of the total quota and Canada received 18.2 percent, with insignificant amounts going to six other countries (table 12). Imports from New Zealand are all channeled through two sales representatives in the United States for the New Zealand Dairy Commission, the sole exporter from that country. There are about 25 importers that purchase the Cheddar cheese from New Zealand and all, or virtually all, of this cheese is used for processing. This cheese is considered a fresh, grade A cheese (aged less than 60 days) and contains somewhat more butterfat than that produced in this country. Imports of Cheddar cheese by country of origin are shown in table 13.

Prices.--During the marketing years 1959 and 1960, market prices of domestic Cheddar cheese were affected by changes in the Government's purchase price for this cheese, but in 1960 and 1961 the supply and demand situation had a greater effect on such prices, as indicated by the following monthly prices for 1960 and 1961 (in cents per pound):

<u>Year and month</u>	<u>Market price for Wisconsin State brand</u>	<u>CCC purchase price</u>
1960:		
January-----	35.9	32.8
February-----	35.9	32.8
March-----	35.9	32.8
April-----	33.8	32.8
May-----	33.2	32.8
June-----	34.6	32.8
July-----	34.1	32.8
August-----	34.6	32.8
September-----	38.3	34.2 (Sept. 17)
October-----	39.9	34.2
November-----	40.0	34.2
December-----	40.0	34.2
1961:		
January-----	39.8	34.2
February-----	36.2	34.2
March-----	37.0	36.1 (Mar. 10)
April-----	37.0	36.1
May-----	36.2	36.1
June-----	36.8	36.1
July-----	36.7	36.5 (July 18)

It is extremely difficult for those in the cheese trade to explain satisfactorily the sharp increase in the market price in 1960 which started in mid-August and continued into October, leveling off at about 40 cents a pound from that time through most of January. The price fell abruptly in the last week of January, causing heavy losses by some assemblers and by many small producers. It appears that actual shortages of certain types of Cheddar cheese occurred in August and September 1960, causing assemblers to place fairly heavy orders with the cheese plants which supplied them. These plants in turn bid up milk prices, and much of the milk for manufacturing was diverted from creameries.



The resulting increase in the production of Cheddar cheese found its way into commercial stocks, discussed in a foregoing section.

The market price for Cheddar cheese (other than in barrels) should not fall more than about 1-3/4 cents per pound below the CCC purchase price, this differential representing approximately the additional cost of selling to the Government.

There are no published prices for New Zealand Cheddar, but the New Zealand Dairy Commission keeps its price just below the U.S. Government support price. Because the New Zealand Cheddar is higher in butter-fat content than the domestic (about 55 percent compared with just over 50 percent), direct price comparisons are misleading. However, one of the largest buyers of New Zealand Cheddar estimates that for conversion into process cheese the company saves 2 to 3 cents per pound by buying the imported rather than the domestic Cheddar.

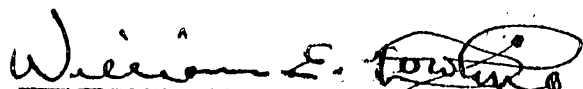
Canadian Cheddar, on the other hand, sells at wholesale for 10 to 12 cents per pound more than its nearest competitor, which is generally acknowledged to be the New York sharp cheese.

On the basis of the facts obtained in this supplemental investigation, the Commission concludes that the circumstances which led to the imposition of the existing quotas on the subject Cheddar Cheese and Blue Mold Cheese have not so changed that the said quotas could be enlarged without resulting in material interference with the price-support program of the Department of Agriculture with respect to milk and butter-fat.

Respectfully submitted.

  
Walter R. Schreiber, Commissioner

  
Glenn W. Sutton, Commissioner

  
William E. Dowling, Commissioner

STATISTICAL APPENDIX

Table 1.--Total milk: U.S. production, total supply, utilization, and per capita consumption, 1953-60

(In billions of pounds of milk or milk equivalents, unless otherwise stated)

Item	1953	1954	1955	1956	1957	1958	1959 <sup>1/</sup>	1960 <sup>1/</sup>
Production, <sup>2/</sup> total-----	117.2	119.0	119.8	121.7	121.7	120.5	119.3	120.4
Utilization for--								
Fluid consumption-----	55.1	56.2	57.8	59.0	59.3	58.9	58.8	58.6
Manufactured dairy products,								
total <sup>3/</sup> -----	61.5	62.2	61.3	62.2	61.6	60.7	59.8	60.7
Cheese-----	13.3	13.7	13.6	13.7	13.5	12.8	12.6	13.3
Total supply <sup>4/</sup> -----	125.9	126.0	126.7	128.8	128.7	127.4	126.3	127.2
Utilization for--								
Civilian consumption:								
From commercial sources-----	93.3	96.2	98.7	100.5	101.5	101.9	103.5	104.8
On farms where produced-----	12.3	11.6	11.4	10.5	9.4	8.4	7.4	6.7
From CCC supplies-----	1.3	2.5	3.2	3.4	2.3	4.2	2.9	2.0
Under milk programs-----	.8	.9	1.4	1.8	1.8	2.1	2.3	2.5
Total-----	107.7	111.2	114.7	116.2	115.0	116.6	116.1	116.0
Other:								
Military consumption-----	2.6	2.9	3.2	3.1	3.1	2.9	2.9	2.7
Exports and shipments-----	1.6	2.3	7.0	6.5	3.0	3.2	1.5	1.0
Total utilization-----	111.9	116.4	124.9	125.8	121.1	122.7	120.5	119.7
CCC purchases-----	10.3	9.2	4.8	5.2	5.9	4.7	3.2	3.1
Per capita consumption:								
All dairy products <sup>5/</sup> -----	691	699	706	703	684	680	666	654
Cheddar cheese <sup>5/</sup> -----	51	55	54	54	51	53	50	52

<sup>1/</sup> Preliminary.<sup>2/</sup> Excludes fluid milk fed to calves.<sup>3/</sup> Includes farm and nonfarm butter.<sup>4/</sup> Production, beginning stocks and imports.<sup>5/</sup> Pounds of milk equivalent.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 2.--U.S. market prices and Commodity Credit Corporation purchase prices of butter, Cheddar cheese, nonfat dry milk, and all milk for manufacturing, and CCC support objectives as a percent of parity, marketing years 1953-61.

(In cents per pound)										
Marketing year beginning Apr. 1	Butter (Grade A at Chicago)		Cheddar cheese		Nonfat dry milk (spray process)		Milk for manufacturing			
	Market price	CCC purchase price	Market price (Wisconsin assembly points)	CCC purchase price	Market price (U.S. average)	CCC purchase price	Market price (U.S. annual average basis)	CCC support objective	Actual	Percent of parity
1953-----	65.5	65.8	36.8	37.0	15.5	16.0	3.46	3.74	89	
1954-----	57.8	57.5	33.1	<sup>1/</sup> 33.2	15.3	<sup>1/</sup> 16.0	3.15	3.15	75	
1955-----	57.4	57.5	33.2	33.2	15.6	16.0	3.19	3.15	80	
1956-----	59.7	59.5	34.7	<sup>2/</sup> 35.0	15.5	16.0	3.31	<sup>2/</sup> 3.25	<sup>2/</sup> 84	
1957-----	59.6	59.5	34.8	35.0	15.5	16.0	3.28	3.25	82	
1958-----	58.2	57.8	33.3	32.8	13.8	14.2	3.16	3.06	75	
1959-----	59.7	58.0	34.0	32.8	13.7	14.2	3.22	3.06	77	
1960:										
Apr. 1-										
Sept. 16-	58.1	58.0	34.4	32.8	14.4	13.4	3.21	3.06	76	
Sept. 17-										
Mar. 9,										
(1961) <sup>3/</sup>	60.6	60.5	39.1	34.2	14.7	13.9	3.39	3.22	80	
Mar. 10-31										
(1961)-----	60.5	60.5	37.2	36.1	15.9	15.9	3.37	3.40	85	
1961:										
Apr. 1-										
July 17--	60.5	60.5	36.7	36.1	16.3	15.9	3.36	<sup>4/</sup> 3.40	83	
Beginning										
July 18-- <sup>5/</sup>	60.5	60.5	<sup>5/</sup> 36.9	36.5	16.5	16.4	<sup>6/</sup>	<sup>4/</sup> 3.40	83	

<sup>1/</sup> Cheddar supported at 32.25 cents and nonfat dry milk at 15 cents per pound from Apr. 1 to July 11, 1954.

<sup>2/</sup> Applies to the period Apr. 19, 1956-Mar. 31, 1957; from Apr. 1-18, 1956, the support price was 34.0 cents per pound.

<sup>3/</sup> Increase required by Public Law 86-799.

<sup>4/</sup> The U.S. Department of Agriculture later found that the purchase prices of March 1961 reflected a per hundredweight support objective of only \$3.36-\$3.37. Consequently, the new purchase prices of July 1961 more accurately reflect the \$3.40 price-support objective.

<sup>5/</sup> Prices for July 18-Aug. 14, 1961.

<sup>6/</sup> Not available.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 3.--Butter, Cheddar cheese, and nonfat dry milk: Commodity Credit Corporation and sec. 32 purchases, utilization (disposals), and CCC stocks, 1953-60, January-July 1960, and January-July 1961

(In millions of pounds)			
Period <u>1/</u>	Purchases	Utilization <u>2/</u>	Uncommitted supplies at end of period <u>3/</u>
<b>Butter</b>			
1953-----	359	118	257
1954-----	<u>4/</u> 320	313	264
1955-----	162	366	60
1956-----	165	225	-
1957-----	173	142	31
1958-----	184	208	7
1959-----	124	130	-
1960 <u>5/</u> -----	145	129	16
January-July:			
1960-----	140	105	34
1961 <u>5/</u> -----	234	117	133
<b>Cheddar cheese</b>			
1953-----	308	54	255
1954-----	<u>6/</u> 276	<u>6/</u> 196	335
1955-----	150	224	261
1956-----	188	303	146
1957-----	241	245	143
1958-----	80	215	<u>7/</u> 3
1959-----	57	53	7
1960 <u>5/</u> -----	<u>8/</u>	7	-
January-July:			
1960-----	<u>8/</u>	7	-
1961 <u>5/</u> -----	37	3	34
<b>Nonfat dry milk</b>			
1953-----	601	209	432
1954-----	666	1,000	97
1955-----	556	649	4
1956-----	754	726	32
1957-----	815	821	27
1958-----	934	915	45
1959-----	766	811	-
1960 <u>5/</u> -----	915	737	177
January-July:			
1960-----	620	332	287
1961 <u>5/</u> -----	665	596	247

1/ Calendar-year unless otherwise specified.

2/ For 1954-57 includes donations to U.S. Army, part of which were used abroad.

3/ The supplies at the end of a year do not always equal the supplies at the beginning plus purchases less utilization, owing to rounding of figures and purchase contract tolerances.

4/ Excludes 5.1 million pounds sold to the CCC in March 1954 but contracted for repurchase by private firms after Apr. 1, 1954.

5/ Preliminary; for 1961 includes substantial purchases for future delivery.

6/ Excludes 86.6 million pounds sold to the CCC in March 1954 but contracted for repurchase by private firms after Apr. 1, 1954.

7/ Adjusted for a decrease of 5 million pounds owing to claims actions, underdeliveries against purchase contracts, and overdeliveries on disposition contracts.

8/ Less than 0.5 million pounds.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 4.--American cheese in cold-storage warehouses at end of month: U.S. Government, commercial, and total stocks, by months, January 1953-July 1961

(In millions of pounds)

Period and item	January	February	March	April	May	June	July	August	September	October	November	December
<b>1953:</b>												
Government	4	16	43	74	110	139	180	216	211	212	215	212
Commercial	190	171	158	157	170	201	205	195	185	174	156	159
Total	194	187	201	231	280	340	385	411	396	386	371	371
<b>1954:</b>												
Government	251	270	305	339	356	376	395	404	407	394	361	357
Commercial	117	130	121	122	139	162	177	175	173	171	159	162
Total	368	400	426	461	495	538	572	579	580	565	520	519
<b>1955:</b>												
Government	342	328	319	310	303	306	311	306	309	304	287	279
Commercial	151	142	144	158	191	237	250	256	250	232	213	213
Total	493	470	463	468	494	543	561	562	559	536	500	492
<b>1956:</b>												
Government	268	248	243	235	228	232	236	230	229	207	202	191
Commercial	201	192	190	192	222	252	273	280	264	242	213	210
Total	469	440	433	427	450	484	509	510	493	449	415	401
<b>1957:</b>												
Government	178	159	160	153	163	172	217	197	203	198	188	170
Commercial	209	198	196	202	228	252	238	270	255	231	216	207
Total	387	357	356	355	391	424	455	467	458	429	404	377
<b>1958:</b>												
Government	156	144	139	118	107	96	73	55	40	24	11	11
Commercial	189	174	168	175	189	220	246	260	265	258	245	238
Total	345	318	307	293	296	316	319	315	305	282	256	249
<b>1959:</b>												
Government	9	9	6	14	13	21	29	31	35	35	26	20
Commercial	227	219	220	235	259	286	302	303	292	273	255	246
Total	236	228	226	249	272	307	331	334	327	308	281	266
<b>1960:</b>												
Government	15	10	9	7	7	6	4	1	1	1	1	1
Commercial	231	222	219	234	260	298	312	317	303	291	287	291
Total	246	232	228	241	267	304	316	318	304	292	288	292
<b>1961 (January-July):</b>												
Government	1/	1/	1/	1/	3	11	18					
Commercial	287	293	302	324	354	389	400					
Total	287	293	302	324	357	400	418					

1/ Less than 500,000 pounds.

Source: Cold Storage Report issued monthly by the U.S. Department of Agriculture.

Note.--Breakdown between Government and commercial stocks is based on information in the hands of warehousemen at time of report. Consequently, this table does not reflect the final Government commitments of cheese. Such commitments are shown in table 3.

Table 5.--Butter, Cheddar cheese, and nonfat dry milk: Utilization of Commodity Credit Corporation and sec. 32 purchases, average 1953-57, annual 1959 and 1960

Item	Butter			Cheddar cheese			Nonfat dry milk		
	1953-57 average	1959	1960	1953-57 average	1959	1960	1953-57 average	1959	1960
Quantity (million pounds)									
Commercial sales:									
Domestic-----	1/ 5.8	2.3	-	2/ 9.9	-	-	129.4	42.8	11.7
Export-----	9.8	18.5	.9	4.9	11.9	-	48.6	158.4	90.2
Noncommercial export sales-----	8.2	-	-	1.5	-	-	85.8	52.9	82.6
CCC transfers:									
To International Cooperation Administration-----	6.6	-	-	12.0	-	-	23.7	70.9	16.1
To sec. 32 outlets 3/-----	57.4	16.5	105.0	35.7	16.0	6.6	27.9	3.9	1.4
To U.S. Army-----	28.2	27.2	20.0	1.4	2.9	.5	1.4	.1	.1
To Veterans Administration-----	1.6	2.1	1.9	-	-	-	-	-	-
CCC donations:									
To penal institutions-----	.1	.8	1.1	.2	.3	.3	.2	.8	.7
Sec. 416:									
Domestic 3/-----	37.5	63.1	-	40.3	21.6	-	37.2	121.0	90.2
Foreign-----	77.6	-	-	95.0	-	-	310.7	331.6	399.0
Sec. 32 purchases in market and domestic donations 3/-----	4/ -	-	-	3.5	-	-	15.9	28.1	42.5
All other-----	4/ -	-	-	4/ -	-	-	.2	.1	-
Total utilization-----	232.0	130.5	128.9	204.4	52.7	7.4	681.0	810.6	734.5
Percent of total									
Commercial sales:									
Domestic-----	2.5	1.8	-	4.8	-	-	19.0	5.3	1.6
Export-----	4.2	14.2	.7	2.4	22.6	-	7.1	19.6	12.3
Noncommercial export sales-----	3.5	-	-	.7	-	-	12.6	6.5	11.2
CCC transfers:									
To International Cooperation Administration-----	2.9	-	-	5.9	-	-	3.5	8.7	2.2
To sec. 32 outlets 3/-----	24.7	12.6	81.4	17.5	30.3	89.2	4.1	.5	.2
To U.S. Army-----	12.1	20.8	15.5	.7	5.5	6.8	.2	5/ .5	5/ .2
To Veterans Administration-----	.7	1.6	1.5	-	-	-	-	-	-
CCC donations:									
To penal institutions-----	5/ .1	.6	.9	.1	.6	4.0	5/ .2	.1	.1
Sec. 416:									
Domestic 3/-----	16.1	48.4	-	19.7	41.0	-	5.5	14.9	12.3
Foreign-----	33.3	-	-	46.5	-	-	45.6	40.2	54.3
Sec. 32 purchases in market and domestic donations 3/-----	5/ -	-	-	1.7	-	-	2.4	3.5	5.0
All other-----	5/ -	-	-	5/ -	-	-	5/ .2	5/ .1	-
Total utilization-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Excludes 5.1 million pounds sold to CCC in March 1954 but contracted for repurchase by private firms after Apr. 1, 1954.

2/ Excludes 86.6 million pounds sold to CCC in March 1954 but contracted for repurchase by private firms after Apr. 1, 1954.

3/ For domestic school lunch and welfare use.

4/ Less than 500,000 pounds.

5/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Sec. 32 of the Agricultural Adjustment Act of 1938 provides for setting aside a fund equivalent to 30 percent of all import duties collected, to aid in disposing of surplus agricultural products. In some years, Congress has appropriated supplementary funds for this purpose. In connection with the dairy products price-support programs, these funds have been used chiefly to finance donations of surplus commodities to the school lunch program (60 Stat. 230) and to eligible groups of needy persons, and to finance cash payments to commercial exporters of dairy products under price support. A small part of the funds are used for diversion to new-use programs.

Sec. 416 of the Agricultural Act of 1949 (63 Stat. 1051) authorizes the Secretary of Agriculture and the Commodity Credit Corporation to dispose of perishable surplus commodities to any Federal agency for use in making payment for commodities not produced in the United States; to school lunch programs; to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the assistance of needy persons; and to private welfare organizations for the assistance of needy persons within or outside the United States.

Public Law 480, 83d Cong., 2d sess. (68 Stat. 454) authorizes the CCC to export surplus agricultural commodities for foreign currencies, and to donate these commodities to friendly foreign nations for famine relief and other assistance.



Table 6.--Dairy products: U.S. milk production, and whole-milk equivalent of U.S. domestic exports and imports for consumption, 5-year averages 1935-39 and 1945-49, annual 1953-61

Period	Exports			Imports			Export balance or import balance (-)
	Total milk production	Sales 1/	Donations 2/	Total exports 1/	Quantity	Ratio to total milk production	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Percent
Average:							
1935-39	105,924	3/		147	762	0.1	0.7
1945-49	117,623	3/		3,965	246	3.4	.2
Annual:							
1953	120,521	675	694	1,369	525	1.1	.4
1954	122,294	707	1,340	2,047	441	1.7	.4
1955	123,045	919	5,743	6,662	458	5.4	.4
1956	124,860	1,432	4,797	6,229	514	5.0	.4
1957	124,628	1,027	1,674	2,701	480	2.2	.4
1958	123,220	756	2,044	2,800	505	2.3	.4
1959 4/	121,989	651	501	1,152	571	.9	.5
1960 4/	122,920	605	170	775	579	.6	.5
1961 5/	124,500	590	231	821	608	.7	.5

1/ Includes some commercial sales subsidized by the Commodity Credit Corporation.  
 2/ Although these were chiefly donations to relief agencies for shipment to overseas destinations, there was a very small financial recovery to the Commodity Credit Corporation.  
 3/ Not available.  
 4/ Preliminary.  
 5/ Forecast by the U.S. Department of Agriculture, to be published in different form.  
 Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 7.--Blue-mold and Cheddar cheese: U.S. production and imports for consumption, 5-year average 1948-52, annual 1953-60

Period	Blue-mold			Cheddar		
	Production 1,000 pounds	Imports 1,000 pounds	Ratio of imports to production Percent	Production 1,000 pounds	Imports 1,000 pounds	Ratio of imports to production Percent
Average 1948-52	9,601	2,768	28.8	883,030	7,013	0.8
Annual:						
1953	10,137	3,331	32.9	1,022,473	7,810	.8
1954	9,719	3,304	34.0	1,044,723	2,814	.3
1955	10,047	3,972	39.5	1,055,374	2,577	.2
1956	10,663	3,963	37.2	993,649	2,782	.3
1957	10,864	3,596	33.1	1,026,374	2,243	.2
1958	11,447	3,993	34.9	983,622	3,022	.3
1959 <sup>2/</sup>	12,710	4,184	32.9	947,398	2,155	.2
1960 <sup>2/</sup>	15,169	4,188	27.6	1,002,535	3,289	.3

<sup>1/</sup> Includes Cheddar, Colby, washed curd, high- and low-moisture jack, Monterey, granular, and part-skim cheese.

<sup>2/</sup> Preliminary.

Source: Production, official statistics of the U.S. Department of Agriculture, except as noted; imports, compiled from official statistics of the U.S. Department of Commerce.

Table 8.--Blue-mold cheese in original loaves: U.S. imports for consumption, by countries, 1955-60 and Jan.-June 1961

Country	1955	1956	1957	1958	1959 <sup>1/</sup>	1960 <sup>1/</sup>	Jan.-June 1961 <sup>1/</sup>
Quantity (pounds)							
Denmark-----	3,762,791	3,795,781	3,454,836	3,784,904	3,917,103	3,936,736	1,639,525
Italy-----	102,907	102,765	99,817	131,308	114,409	145,015	78,135
United Kingdom----	9,598	12,668	11,129	14,202	13,146	23,933	7,723
Israel-----	-	-	-	6,036	-	19,749	12,853
Norway-----	24,964	30,670	10,226	9,178	52,855	25,353	9,440
France-----	8,020	8,417	4,281	4,312	18,179	12,019	6,252
Sweden-----	25,284	8,164	13,726	43,070	21,144	11,072	4,248
Switzerland-----	24,933	-	-	-	-	6,841	-
West Germany-----	13,238	-	-	-	46,940	6,850	39,679
Canada-----	-	4,235	2,025	-	125	-	-
Total-----	3,971,735	3,962,700	3,596,040	3,993,010	4,183,901	4,187,568	1,797,853
Foreign value							
Denmark-----	\$1,552,880	\$1,679,286	\$1,589,526	\$1,628,804	\$1,696,386	\$1,794,483	\$776,145
Italy-----	39,852	41,747	40,978	59,240	50,093	68,329	35,541
United Kingdom----	6,377	8,893	7,974	9,456	9,207	17,409	5,401
Israel-----	-	-	-	2,464	-	9,857	5,500
Norway-----	10,757	13,131	4,296	3,911	21,754	9,229	3,497
France-----	2,573	2,935	1,531	1,528	9,079	8,028	1,957
Sweden-----	9,803	2,875	6,355	18,661	9,734	4,112	1,487
Switzerland-----	16,370	-	-	-	-	3,556	-
West Germany-----	5,430	-	-	-	20,483	3,065	19,108
Canada-----	-	424	384	-	111	-	-
Total-----	1,644,042	1,749,291	1,651,044	1,724,064	1,816,847	1,918,068	846,636
Unit value (cents per pound)							
Denmark-----	41.3	44.2	46.0	43.0	43.3	45.6	47.3
Italy-----	38.7	40.6	41.1	45.1	43.8	47.1	45.5
United Kingdom----	66.4	70.2	71.6	66.6	70.0	72.7	69.9
Israel-----	-	-	-	40.8	-	49.9	42.8
Norway-----	43.1	42.8	42.0	42.6	41.2	36.4	37.0
France-----	32.1	34.9	35.8	35.4	49.9	66.8	31.3
Sweden-----	38.8	35.2	46.3	43.3	46.0	37.1	35.0
Switzerland-----	65.7	-	-	-	-	52.0	-
West Germany-----	41.0	-	-	-	43.6	44.7	48.2
Canada-----	-	10.0	19.0	-	88.8	-	-
Average-----	41.4	44.1	45.9	43.2	43.4	45.8	47.2

<sup>1/</sup> Preliminary.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--Blue-mold cheese, subject to import quotas: Quantities licensed and imported, and proportion of license used, by country of origin, years beginning July 1, 1953-60

Period and country	Quantity		Proportion of license used
	Licensed	Imported	
	Pounds	Pounds	
July 1, 1953-June 30, 1954:			
Denmark-----	3,824,870	3,464,863	90.6
Italy-----	314,029	110,152	35.1
Norway-----	-	-	-
Sweden-----	7,441	7,412	99.6
France-----	6,315	6,303	99.8
Argentina-----	1,978	-	-
Total or average-----	4,154,633	3,588,730	86.4
July 1, 1954-June 30, 1955:			
Denmark-----	3,823,512	3,262,155	85.3
Italy-----	300,605	99,429	33.1
Norway-----	-	-	-
Sweden-----	7,458	7,414	99.4
France-----	6,329	3,986	63.0
Argentina-----	24,318	-	-
Total or average-----	4,162,222	3,372,984	81.0
July 1, 1955-June 30, 1956:			
Denmark-----	3,884,674	3,740,812	96.3
Italy-----	235,628	100,665	42.7
Norway-----	20,664	19,153	92.7
Sweden-----	7,488	7,458	99.6
France-----	10,794	8,415	78.0
Argentina-----	-	-	-
Total or average-----	4,159,248	3,876,503	93.2
July 1, 1956-June 30, 1957:			
Denmark-----	3,926,347	3,726,031	94.9
Italy-----	202,510	103,362	51.0
Norway-----	14,670	14,451	98.5
Sweden-----	11,000	10,980	99.8
France-----	6,320	6,308	99.8
Argentina-----	-	-	-
Total or average-----	4,160,847	3,861,132	92.8

Table 9.--Blue-mold cheese, subject to import quotas: Quantities licensed and imported, and proportion of license used, by country of origin, years beginning July 1, 1953-60--Continued

Period and country	Quantity		Proportion of license used
	Licensed	Imported	
	Pounds	Pounds	
July 1, 1957-June 30, 1958:			
Denmark-----	3,958,327	3,728,841	94.2
Italy-----	182,387	111,073	60.9
Norway-----	7,126	6,089	85.4
Sweden-----	7,460	7,375	98.9
France-----	6,330	6,321	99.9
Argentina-----	-	-	-
Total or average-----	4,161,630	3,859,699	92.7
July 1, 1958-June 30, 1959:			
Denmark-----	3,933,594	3,902,396	99.2
Italy-----	191,866	130,801	68.2
Norway-----	18,310	18,219	99.5
Sweden-----	7,370	7,348	99.7
France-----	6,270	2,008	32.0
Argentina-----	4,490	-	-
Total or average-----	4,161,900	4,060,772	97.6
July 1, 1959-June 30, 1960:			
Denmark-----	3,982,089	3,884,008	97.5
Italy-----	150,316	129,790	86.3
Norway-----	17,385	16,444	94.6
Sweden-----	7,410	5,065	68.4
France-----	-	-	-
Argentina-----	-	-	-
Total or average-----	4,157,200	4,035,307	97.1
July 1, 1960-June 30, 1961: <sup>1/</sup>			
Denmark-----	3,949,337	3,883,780	98.3
Italy-----	165,373	128,000	77.4
Norway-----	22,580	21,341	94.5
Sweden-----	10,630	7,144	67.2
France-----	6,280	6,252	99.6
Argentina-----	-	-	-
Total or average-----	4,154,200	4,046,517	97.4

<sup>1/</sup> Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 10.--Imported and domestic blue-mold cheese: Range of selling prices <sup>1/</sup> at New York, Chicago, and San Francisco, and San Francisco, by months, January 1960-July 1961

(In cents per pound)

Year and month	New York		Chicago		San Francisco	
	Imported	Domestic	Imported	Domestic	Imported	Domestic
1960:						
January	60 to 64	52-1/4 to 60	61 to 65-1/2	50 to 54	64 to 68-1/2	57 to 65
February	60 to 64	53 to 60	61-1/2 to 65-1/2	50 to 54	64 to 68-1/2	57 to 65
March	61-1/5 to 66	53 to 60	62-2/5 to 66-1/2	50 to 54	65 to 70-1/10	58-7/10 to 65
April	61 to 66-1/4	53 to 60	63 to 67-5/8	50 to 54	65-3/4 to 72	56-1/2 to 65
May	61 to 66	53-1/2 to 60-1/2	63 to 68	50 to 54	66 to 72	56-1/2 to 65
June	61 to 65	54 to 61	60-3/4 to 64-1/4	49-5/8 to 53-1/4	66 to 72	56-1/2 to 65
July	61 to 65	54 to 61-1/2	60 to 65	50 to 54	66 to 72	56-1/2 to 65
August	61 to 65	54 to 62-1/5	60 to 66	50 to 54	66 to 72	56-3/5 to 65
September	61 to 65	54-1/4 to 63	62-1/2 to 62-3/4	51 to 55-1/2	66 to 72	58-1/2 to 65
October	61 to 65	55-3/4 to 63	61-3/4 to 69	52 to 58	66 to 72	59-9/10 to 66-1/4
November	61 to 65	56 to 63	61-1/2 to 69-1/2	52 to 58	66 to 71	60-1/2 to 68
December	62 to 66-1/2	56-3/4 to 63	61-9/10 to 69-1/2	52 to 58	66 to 71	60-1/2 to 68
1961:						
January	64-1/2 to 70	56 to 63-1/2	64 to 72-1/4	53-1/4 to 58-1/2	67-3/4 to 73	62 to 68
February	64-3/4 to 70	57-1/4 to 63	66 to 74	54 to 60	69 to 73	62-1/2 to 68
March	65 to 70	55-1/4 to 63-3/4	66 to 75	53 to 59	69 to 73	62-3/4 to 68
April	65 to 70	55 to 64	66 to 75	54 to 59	69 to 73	63-1/2 to 68
May	65 to 70	55 to 64	66 to 75	54 to 59	70 to 74-1/2	61-1/4 to 68-1/2
June	65 to 70	55 to 64	66 to 75	54 to 59	70 to 76	60-1/2 to 70
July	65 to 70	55 to 64	64-1/2 to 75	53-1/4 to 59	70 to 76	60 to 70

<sup>1/</sup> Prices reported are wholesale prices for blue-mold only and represent carlot (including trucklot) quantities unless otherwise specified. The low end of the quoted range is the average of the lower quotations and the high end of the quoted range is the average of the high quotations for the weeks in a month.

Source: Compiled from prices quoted in Dairy and Poultry Market News, U.S. Department of Agriculture, Agricultural Marketing Service.

Table 11.--Cheddar cheese: U.S. production, imports for consumption, domestic exports, domestic civilian disappearance, Government purchases, Government stocks at end of year, and average wholesale prices, 5-year averages 1935-39 and 1945-49, annual 1953-60

Period	U.S. Government purchases				Average wholesale prices				
	Pro- duction 1/ Million pounds	Imports for: consumption 1/ Million pounds	Domestic civilian disappear- ance 3/ Million pounds	Annual total quantity 4/ Million pounds	Percent of domestic production 5/ %	Government stocks at end of year 5/ Million pounds	Government support Cents per pound	Domestic 6/ Cents per pound	Imports (foreign unit value) Cents per pound
Average:									
1935-39	518	7/ 5.9	8/ 520	2	-	-	8/ 14.2	7/ 14.3	
1945-49	882	.7	703	2	0.2	20	33.0	30.2	
Annual:									
1953	1,022	7.8	793	308	30.1	242	37.0	36.8	30.3
1954	1,045	2.8	878	276	26.4	357	31.0/ 33.2	33.1	26.8
1955	1,055	2.6	870	150	14.9	279	33.2	33.2	26.9
1956	994	2.8	897	188	18.9	191	34.7	34.7	27.4
1957	1,026	2.2	864	242	23.6	170	35.0	34.8	28.8
1958	983	3.0	939	80	8.1	11	32.8	33.3	27.2
1959 11/	948	2.2	905	57	6.0	20	34.0	34.0	28.5
1960 11/	1,003	3.3	960	12/	13/	3	32.8	36.4	29.1

1/ Includes Cheddar, Colby, washed curd, high- and low-moisture jack, Monterey, granular, and part-skim cheese.

2/ Excludes cheese foods, spreads, and blends.

3/ Domestic production plus imports for consumption less domestic exports and shipments to noncontiguous U.S. territories, adjusted for changes in commercial and Government stocks; excludes military consumption.

4/ Includes sec. 32 purchases.

5/ Includes stocks contracted for but not delivered.

6/ Wisconsin Cheese Exchange price.

7/ Period 1936-39.

8/ Not available.

9/ Excludes 87 million pounds purchased in March 1954 under condition that it be resold in April 1954.

10/ See table 2 for changes during the year.

11/ Preliminary.

12/ Less than 500,000 pounds.

13/ Less than 0.05 percent.

Source: Imports and exports, compiled from official statistics of the U.S. Department of Commerce; other data, official statistics of the U.S. Department of Agriculture.

Table 12.--Cheddar cheese, subject to import quotas: Quantities licensed and imported, and proportion of license used, by country of origin, years beginning July 1, 1953-60

Period and country	Quantity		Proportion of license used
	Licensed	Imported	
	Pounds	Pounds	
<b>July 1, 1953-June 30, 1954:</b>			
New Zealand-----	2,231,849	2,183,413	97.8
Canada-----	535,249	494,880	92.5
Sweden-----	5,058	5,020	99.2
Ireland-----	2,355	1,560	66.2
Mexico-----	624	573	91.8
Dominican Republic-----	518	500	96.5
Australia-----	-	-	-
Denmark-----	189	-	-
Total or average-----	2,775,842	2,685,946	96.8
<b>July 1, 1954-June 30, 1955:</b>			
New Zealand-----	2,232,632	1,938,961	86.8
Canada-----	536,788	495,865	92.4
Sweden-----	5,511	5,072	92.0
Ireland-----	2,370	-	-
Mexico-----	627	-	-
Dominican Republic-----	213	200	93.9
Australia-----	-	-	-
Denmark-----	-	-	-
Total or average-----	2,778,141	2,440,098	87.8
<b>July 1, 1955-June 30, 1956:</b>			
New Zealand-----	2,250,104	2,145,441	95.3
Canada-----	519,007	496,412	95.6
Sweden-----	5,150	5,123	99.5
Ireland-----	2,399	1,535	64.0
Mexico-----	627	617	98.4
Dominican Republic-----	213	208	97.7
Australia-----	-	-	-
Denmark-----	-	-	-
Total or average-----	2,777,500	2,649,336	95.4
<b>July 1, 1956-June 30, 1957:</b>			
New Zealand-----	2,244,490	2,155,423	96.0
Canada-----	526,096	484,910	92.2
Sweden-----	5,150	5,125	99.5
Ireland-----	2,400	480	20.0
Mexico-----	630	617	97.9
Dominican Republic-----	210	210	100.0
Australia-----	-	-	-
Denmark-----	-	-	-
Total or average-----	2,778,976	2,646,765	95.2



Table 12.--Cheddar cheese, subject to import quotas: Quantities licensed and imported, and proportion of license used, by country of origin, years beginning July 1, 1953-60--Continued

Year and country	Quantity		Proportion of license used Percent
	Licensed	Imported	
	Pounds	Pounds	
<b>July 1, 1957-June 30, 1958:</b>			
New Zealand-----	2,246,580	2,182,600	97.2
Canada-----	507,770	451,181	88.9
Sweden-----	5,180	5,159	99.6
Ireland-----	2,410	1,458	60.5
Mexico-----	630	-	-
Dominican Republic-----	210	-	-
Australia-----	17,250	10,816	62.7
Denmark-----	-	-	-
Total or average-----	2,780,030	2,651,214	95.4
<b>July 1, 1958-June 30, 1959:</b>			
New Zealand-----	2,261,980	2,103,053	93.0
Canada-----	503,650	447,259	88.8
Sweden-----	6,130	6,126	99.9
Ireland-----	2,360	1,152	48.8
Mexico-----	630	-	-
Dominican Republic-----	210	-	-
Australia-----	-	-	-
Denmark-----	-	-	-
Total or average-----	2,774,960	2,557,590	92.2
<b>July 1, 1959-June 30, 1960:</b>			
New Zealand-----	2,264,820	2,212,448	97.7
Canada-----	499,170	492,399	98.6
Sweden-----	6,190	4,723	76.3
Ireland-----	2,400	1,440	60.0
Mexico-----	630	-	-
Dominican Republic-----	-	-	-
Australia-----	-	-	-
Denmark-----	-	-	-
Total or average-----	2,773,210	2,711,010	97.8
<b>July 1, 1960-June 30, 1961: <sup>1/</sup></b>			
New Zealand-----	2,242,100	2,171,734	96.9
Canada-----	506,180	459,164	90.7
Sweden-----	6,190	4,506	72.8
Ireland-----	2,400	2,304	96.0
Mexico-----	1,000	-	-
Dominican Republic-----	-	-	-
Australia-----	17,180	17,180	100.0
Denmark-----	-	-	-
Total or average-----	2,775,050	2,654,888	95.7

<sup>1/</sup> Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 13.--Cheddar cheese: U.S. imports for consumption, by countries, 1955-60 and January-June 1961

Country	1955	1956	1957	1958	1959 <sup>1/</sup>	1960 <sup>1/</sup>	Jan.-June 1961 <sup>1/</sup>
Quantity (pounds)							
New Zealand-----	2,035,145	2,373,376	1,767,187	2,531,056	1,732,522	2,753,068	709,895
Canada-----	526,070	398,686	458,272	456,476	395,334	511,588	264,643
Denmark-----	10,845	848	-	5,219	698	16,083	-
Sweden-----	5,068	3,476	6,693	1,050	1,459	6,396	1,788
Netherlands-----	-	900	-	-	-	900	-
United Kingdom-----	-	3,978	-	28,470	17,515	812	1,133
Norway-----	-	1,129	-	-	-	-	-
Australia-----	-	-	10,816	-	7,226	-	17,180
Total-----	2,577,128	2,782,393	2,242,968	3,022,271	2,154,754	3,288,847	994,639
Foreign value							
New Zealand-----	\$492,909	\$593,180	\$449,435	\$601,220	\$419,731	\$691,219	\$184,086
Canada-----	193,894	165,097	192,675	206,779	185,772	254,190	114,627
Denmark-----	4,419	294	-	2,404	285	7,097	-
Sweden-----	2,331	1,599	2,226	368	671	2,862	822
Netherlands-----	-	521	-	-	-	531	-
United Kingdom-----	-	2,825	-	12,552	6,387	488	668
Norway-----	-	84	-	-	-	-	-
Australia-----	-	-	1,702	-	1,761	-	4,778
Total-----	693,553	763,600	646,038	823,323	614,607	956,387	304,981
Unit value (cents per pound)							
New Zealand-----	24.2	25.0	25.4	23.8	24.2	25.1	25.9
Canada-----	36.9	41.4	42.0	45.3	47.0	49.7	43.3
Denmark-----	40.8	34.7	-	46.1	40.8	44.1	-
Sweden-----	46.0	46.0	33.3	35.0	46.0	44.7	46.0
Netherlands-----	-	57.9	-	-	-	59.0	-
United Kingdom-----	-	71.0	-	44.1	36.5	60.1	59.0
Norway-----	-	7.4	-	-	-	-	-
Australia-----	-	-	15.7	-	24.4	-	27.8
Average-----	26.9	27.4	28.0	27.2	28.5	29.1	30.7

<sup>1/</sup> Preliminary.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 14.--Cheese: Imports for consumption, by kind, according to quota status, average 1935-39, annual 1953-60

Kind	Average	1953	1954	1955	1956	1957	1958	1959 <sup>1/</sup>	1960 <sup>1/</sup>
	1935-39								
Quantity (1,000 pounds)									
<b>Nonquota cheese:</b>									
Emmentaler or Swiss with eye formation--	8,668	8,656	8,422	8,641	8,319	8,957	9,341	11,495	9,935
Gruyere process cheese--	<sup>2/</sup> 3,270	3,215	3,085	3,583	3,714	3,808	3,669	4,423	4,751
*Sheep's-milk cheese suitable for grating--	<sup>3/</sup> 15,311	11,973	13,004	12,722	13,244	11,747	13,828	13,526	12,259
*Pecorino not suitable for grating--		340	313	519	498	535	907	466	1,670
*Roquefort--	<sup>4/</sup> 2,383	1,806	1,879	1,630	1,055	2,097	2,036	2,275	2,095
Qjetost made from goat's-milk whey--		<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	70	68	64	43	113
Other cheese <sup>5/</sup> --	<sup>6/</sup> 5,844	5,891	5,281	6,247	6,275	6,622	8,443	12,313	11,823
Total-----	<u>35,476</u>	<u>31,881</u>	<u>31,904</u>	<u>33,342</u>	<u>33,975</u>	<u>33,834</u>	<u>38,258</u>	<u>44,541</u>	<u>42,646</u>
<b>Quota cheese:</b>									
*Romano made from cow's milk--	<sup>3/</sup> 333	2,226	1,542	1,366	1,789	1,141	983	1,679	1,517
*Reggiano--	<sup>3/</sup> 2,160	2,056	1,611	1,256	1,630	1,430	1,063	1,638	1,035
*Parmesano--		297	251	395	269	343	452	411	394
*Provoloni and Provolotte	5,094	3,781	3,636	4,075	4,001	3,681	3,605	4,062	4,025
Cheddar, including that divided into pieces--	<sup>7/</sup> 5,936	7,810	2,814	2,577	2,782	2,243	3,022	2,155	3,289
*Blue-mold--	<sup>2/</sup> 3,434	3,331	3,304	3,972	3,963	3,596	3,993	4,184	4,188
Edam and Gouda--	<sup>2/</sup> 4,154	4,560	4,732	4,930	5,188	4,580	4,345	5,159	5,994
*Sbrinz--	<sup>4/</sup>	273	82	37	117	29	16	27	10
Total-----	<u>21,111</u>	<u>24,334</u>	<u>17,972</u>	<u>18,608</u>	<u>19,739</u>	<u>17,043</u>	<u>17,479</u>	<u>19,315</u>	<u>20,452</u>
Grand total-----	<u>56,587</u>	<u>56,215</u>	<u>49,876</u>	<u>51,950</u>	<u>53,714</u>	<u>50,877</u>	<u>55,737</u>	<u>63,856</u>	<u>63,098</u>
Percent of total									
<b>Nonquota cheese:</b>									
Emmentaler or Swiss with eye formation--	15.3	15.4	16.8	16.7	15.5	17.6	16.8	18.0	15.7
Gruyere process cheese--	<sup>2/</sup> 5.8	5.7	6.2	6.9	6.9	7.5	6.6	6.9	7.5
*Sheep's-milk cheese suitable for grating--	<sup>3/</sup> 27.1	21.3	26.0	24.5	24.7	23.1	24.8	21.2	19.4
*Pecorino not suitable for grating--		.6	.6	1.0	.9	1.1	1.6	.7	2.6
*Roquefort--	4.2	3.2	3.8	3.1	3.5	4.1	3.6	3.6	3.3
Qjetost made from goat's-milk whey--	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	.1	.1	.1	.1	.2
Other cheese <sup>5/</sup> --	<sup>6/</sup> 10.3	10.5	10.6	12.0	11.7	13.0	15.1	19.3	18.7
Total-----	<u>62.7</u>	<u>56.7</u>	<u>64.0</u>	<u>64.2</u>	<u>63.3</u>	<u>66.5</u>	<u>68.6</u>	<u>69.8</u>	<u>67.6</u>
<b>Quota cheese:</b>									
*Romano made from cow's milk--	<sup>3/</sup> .6	4.0	3.1	2.6	3.3	2.2	1.8	2.6	2.4
*Reggiano--	<sup>3/</sup> 3.8	3.7	3.2	2.4	3.0	2.8	1.9	2.6	1.6
*Parmesano--		.5	.5	.8	.5	.7	.8	.6	.6
*Provoloni and Provolotte	9.0	6.7	7.3	7.8	7.4	7.2	6.5	6.4	6.4
Cheddar, including that divided into pieces--	<sup>7/</sup> 10.5	13.9	5.6	5.0	5.2	4.4	5.4	3.4	5.2
*Blue-mold--	<sup>2/</sup> 6.1	5.9	6.6	7.6	7.4	7.1	7.2	6.5	6.6
Edam and Gouda--	<sup>2/</sup> 7.3	8.1	9.5	9.5	9.7	9.0	7.8	8.1	9.5
*Sbrinz--	<sup>4/</sup>	.5	.2	.1	.2	.1	<sup>8/</sup>	<sup>8/</sup>	<sup>8/</sup>
Total-----	<u>37.3</u>	<u>43.3</u>	<u>36.0</u>	<u>35.8</u>	<u>36.7</u>	<u>33.5</u>	<u>31.4</u>	<u>30.2</u>	<u>32.4</u>
Grand total-----	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

\*Indicates cheese in original loaves.

<sup>1/</sup> Preliminary. <sup>2/</sup> Average 1937-39.<sup>3/</sup> Imports of Romano and Pecorino from Italy during 1935-39 classified as sheep's-milk cheese suitable for grating and Pecorino not suitable for grating.<sup>4/</sup> Not separately reported.<sup>5/</sup> Includes Bryndza and Goya. Also includes Cheddar further processed than by division into pieces, and blue-mold not in original loaves, both of the latter categories being quota cheeses.<sup>6/</sup> A balancing item obtained by subtraction. This figure cannot be based on imports reported for "Other cheese" during 1935-39 since such imports contain an unknown amount of Gruyere, Cheddar, blue-mold, Edam and Gouda during 1935-36 and Sbrinz for 1935-39.<sup>7/</sup> Average 1936-39.<sup>8/</sup> Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

