1967

# An Appraisal of some economic effects of Montana's milk control laws on the state's dairy industry

Emmett Kolyer Platt
*The University of Montana*

# AN APPRAISAL OF SOME ECONOMIC EFFECTS OF MONTANA'S MILK CONTROL LAWS ON THE STATE'S DAIRY INDUSTRY

By

Emmett K. Platt, Jr.

Presented in partial fulfillment of the requirements for the degree of

Master of Science

UNIVERSITY OF MONTANA

1967

Approved by:

Norman E. Taylor
Chairman, Board of Examiners

Fred S Hamblen
Dean, Graduate School

NOV 14 1967
Date





ProQuest LLC.
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106 - 1346

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

# CHAPTER I

## INTRODUCTION

All states of the United States control milk to some extent. These controls may take the form of establishing the price dairy farmers receive for their milk production, fixing minimum prices for milk products sold wholesale and retail, prohibiting the sale of fluid milk below cost, making it unlawful for a distributor to give quantity discounts, and other laws that inhibit the competitive forces found in a free market.

Montana's dairy industry is regulated by no fewer than nine state agencies one of which is the Montana Milk Control Board (MCB)[1]. This state agency is concerned primarily with establishing minimum producer and resale prices and the enforcement of certain fair trade laws applicable to Montana's dairy industry.

Why milk controls? The majority of the proponents of milk control, including those in Montana, would state that they are necessary to protect the health of its citizens against shortages of milk and reasonable prices and, secondly, to take precautions against the possible economic advantages that might accrue large processor-distributors when purchasing milk from small, unorganized dairy farmers. The proponents of milk control laws in Montana thus imply that the competitive forces found in a free market are

---

[1]First article in a series on milk in The Billings Gazette, June 22, 1966.

detrimental to the citizen's of the state.

The control of milk is complex and confusing even to the administrators and courts involved with the implementation of such legislation. Mr. Brazier, executive secretary of the Montana Milk Control Board, expressed the subject of milk control this way:

> Milk control is such a complex and little known subject that the court before which an appeal is filed does not fully understand the extent of the industry, nor the interests of the people involved. By the time the court is acquainted with the nature of the administration of milk control, months have passed, during which producers have not been paid according to the new schedule.[2]

To which, Mr. Brazier might have added: . . . and this little understanding of milk control after having milk laws in Montana for over thirty years.

Like many other forms of governmental controls, milk control in Montana is assumed to be an integral part of the state's dairy industry simply because it has been part of the production, processing-distribution, and consumption of this product for such a long period of time. However, it is obvious that the milk controls employed by the state of Montana will have some effect on the production, processing-distribution, and consumption of milk.

## Statement of Objectives

What have been the specific consequences of the milk control

---

[2] Jeffery Brazier, "Legal Problems in the Operation of State and Federal Control Programs," (Proceedings, 25th Annual Dairy Industry Week, Montana State College, Part II, Milk Pricing, p. 100, 1960).

laws employed by the state of Montana? To answer this question this study was made, with the following major objectives: (1) The effect of minimum producer fluid milk prices on the production of milk. (2) The effect of minimum producer and minimum resale prices as established by the MCB on the processing and distribution of fluid milk. (3) The consequences of having a highly controlled milk industry on the citizen's of the state.

## Significance of the Investigation

Milk can no longer be considered a local product, produced by local dairy farmers, processed and distributed by local creameries, and consumed by local citizens. Not too many years ago milk, because of its high perishability and high transportation costs, created its own marketing barriers. Today milk is produced in Wisconsin and shipped to Alaska and various other parts of the nation; milk processed in Los Angeles is distributed in Phoenix and Dallas. Natural trade barriers previously associated with milk have been broken down by technological advances in the production, processing, and transportation of much of the nation's dairy industry. An appraisal of the effect of Montana's Milk Control laws on the production and consumption of fluid milk in the state should give a measure of the strengths and weaknesses of such laws.

## Procedure

This paper will examine the various Milk Control Laws of Montana to determine the effect of legislation on the production

and sale of fluid milk products, will explore the functions of the Milk Control Board, the Board's statutory and specific authority, the significant changes that have taken place in Montana's industry, fluid milk production and distribution in Montana, and milk marketing structures of controlled, non-controlled, and federal markets.

Montana's dairy industry will be compared to various other controlled, non-controlled, and federal markets on three basic levels, namely: (1) Producer fluid milk prices and productivity, (2) distributor prices and margins, and (3) milk purchasing alternatives available to the consumer.

Wherever possible, trends and the effect of competitive forces on Montana's dairy industry will be analyzed.

## Limitations

Although in the study it will be necessary to investigate federal and other state controls, this will not be done in a detailed and intensive manner; the main objective will be to examine the milk controls of the state of Montana.

However, Federal Milk Marketing Orders and other states having milk controls will be examined to an extent useful to show the effect of the Montana Milk Control Board's activities on Montana's dairy industry.

Secondary source material came primarily from the Federal Government's printing office. As prescribed by law, valuable data in the files of the Montana Milk Control Board were not available to this writer. Primary source material was obtained from personal

interviews with various people associated with the milk industry in both the state of Montana and in the Phoenix, Arizona, area. These people included dairy farmers, agricultural economists, processor-distributors, milk control administrators, Montana legislators, staff personal of the Montana Milk Control Board, and consumers. Information was also obtained while attending public hearings on milk pricing held by the Montana Milk Control Board (MCB).

## CHAPTER II

## MILK PRICE REGULATIONS: MONTANA AND OTHER STATES

### Introduction

The economic condition of American dairy farmers during the depression years was characterized by instability and uncertainty. The low price they were receiving for fluid milk[1] served to reduce their production and was also threatening to bankrupt them.

Many nutritional experts were concerned about the problem because they felt milk was essential to the human diet and a severe and prolonged shortage of the product would be detrimental to the nation's health and welfare. Therefore, in 1933, in order to protect the public against shortages of fluid milk, the United States Department of Agriculture was authorized to establish guaranteed minimum prices to be paid dairy farmers for fluid milk. In 1937 the Agriculture Marketing Agreement Act was passed authorizing the establishment of Federal Milk Marketing Orders covering various parts of the nation concerned with the interstate shipment of milk.[2] Each federal order was to be a separate entity and was concerned primarily with establishing fluid milk prices that participating dairy farmers received. During this period, the

---

[1]Milk sold as fresh milk.

[2]United States Department of Agriculture, Agricultural Marketing Service: February, 1962. Volume VI No. 24, Washington Printing Office.

federal government also enacted legislation that authorized the Agricultural Department to control the price of resale fluid milk, but this proved cumbersome and difficult to enforce and was abandoned after a short period of time. Several state governments also enacted various types of milk control legislation during the depression.

Montana Milk Control Legislation

As early as 1911 Montana's legislature became involved with the dairy industry within the state. During this year several regulations were passed by the legislature establishing purity milk standards and pricing policies.[3] In 1935 Montana passed an extensive milk control act that was designed to control the state's production, distribution, and sale of fluid milk and milk products. The milk control legislation of 1935 was modified in 1939. Additional regulations were passed in 1959 in order to further expand the powers of the Montana Milk Control Board, the agency empowered to enforce the state's Milk Control Laws.[4]

The basic argument of the proponents of Montana milk control legislation reflects a simple syllogist: (1) Fluid milk is essential to the state's public health and welfare; (2) the only way to assure its citizens an adequate supply of pure and wholesome

---

[3]Edwin Briggs, "The Milk Control Act," Legal Barriers to Competition in Montana and Local Law. Prepared by the Bureau of Business and Economic Research, University of Montana, Missoula, 1964, pp. 105-107.

[4]Ibid.

milk at reasonable prices is to have state milk control laws; (3) therefore, milk controls are necessary in Montana. Milk control advocates in the state assume their argument to be valid regardless of the underlying economic changes that have taken place in the state's dairy industry since 1935.

The Montana Milk Control Board (MCB)

The MCB is authorized to administer the milk control laws of Montana. Presently there are five members on the Board and eight employees on the MCB staff. Staff salaries total $4,100.00 per month and Board members receive $25.00 for each day spent on State business. Normally Board members spend one day per month on MCB affairs. Statutory limitation is $1,500 per member in any one year.[5] The following restrictions apply to Board members:

1. Board members are appointed for five year terms and cannot succeed themselves. One member's term expires each year on July 1.
2. All five members must be selected from the consuming public.
3. No member may have held any public office two years preceding his appointment.
4. No member may hold any other public office during his appointment.
5. No member may be selected from the livestock and dairy industry.
6. No more than three members may be from a single political part or reside in a particular congressional district.[6]

---

[5]Letter to the writer from Kenneth M. Kelly, administrative supervisor, Montana Milk Control Board, December 6, 1966.

[6]Briggs, op. cit., pp. 105-112.

Income of the MCB is obtained from assessments on the fluid milk produced and processed by dairy farmers and processor-distributors. The minimum assessment is two and one-half cents and the maximum five cents per hundredweight of fluid milk. Additional income is available from fines and license fees. Appendix A illustrates the MCB's income and disbursements for the period July 1, 1964 - June 30, 1965.

Activities of the Montana Milk Control Board

Specifically, the Montana Milk Control Law requires the following:

1. The licensing of Grade A producers and processor-distributors (sometimes called dealers).
2. The establishing of minimum prices below which fluid milk products may not be sold by producers, dealers, and stores to consumers.
3. The establishment of certain fair trade laws applicable to the state's dairy industry.
4. The filing of a $5,000 bond by each licensed processor-distributor to protect dairy farmers against underpayments.

It should be noted that the MCB is not concerned with milk sanitary regulations. The Montana Livestock Sanitary Board and local health officials regulate the purity of milk. However, for a dairy farmer to produce and sell fluid milk (Grade A), he must be licensed by both the MCB and Montana Livestock Sanitary Board. This is also true for processor-distributors handling Grade A milk.

The statutory requirements relative to the fixing of

minimum milk pricing are as follows:

1. The MCB licenses all producers and dealers selling fluid milk.
2. The MCB establishes logical milk marketing areas within the state.
3. The MCB is specifically authorized to maintain prices within these markets that will be beneficial to the public.
4. The prices established by the MCB will give the average producer and processor-distributor a "reasonable" return on their investment.
5. The minimum milk prices fixed by the MCB for each market should encourage a sufficient supply of pure, wholesome milk to meet demand.
6. The activities of the MCB should provide a stable dairy industry in Montana.[7]

Basically, what the MCB would like to do is to simulate the milk prices that would exist under normal dairy marketing conditions.[8]

To ascertain what prices will bring a "reasonable" return on investment to the producers and dealers of a particular market, the MCB holds public and private hearings to collect pertinent cost data. To many this may seem like a logical approach; i.e., accumulated cost data can be analyzed and a certain markup percentage applied to gain the desired selling price that will result in a reasonable return to the average producer or dealer in Montana. However, accurate and reliable cost data in the dairy

---

[7]From a personal interview with Kenneth M. Kelly, administrative supervisor, Montana Milk Control Board, June, 1965.

[8]Ibid.

industry much like Montana, found little consistency in producer cost data collected by their highly qualified staff (many Certified Public Accountants serve on the staff of California's milk control agency) in the Los Angeles and San Francisco areas. The cost study produced figures ranging from $3.00 to $8.00 per cwt. of milk for the Bay Area and $3.35 to $6.00 per cwt. of milk in the Los Angeles market.[9] Based on such findings "the seemingly plausible statement that milk prices can be established on the basis of calculated costs, is a fallacy".[10] However, due to the fact that part of the milk control laws in Montana specify that the MCB shall base its prices on the "reasonable" costs of average producers and dealers, the proponents of milk controls in the state, rather than admitting that this indeed is a fallacious approach, continue to hold public hearings and conduct audits to collect cost data of questionable validity. What relationship exists between the cost data collected and the prices established by the MCB, if any, is difficult to analyze simply because before 1967 most of the information collected by the MCB was not available to the public.

To determine whether or not fluid milk producers receive correct payments from the dealers they sell to, the MCB periodically audits the receipts, production, and sales of milk products of all

---

[9]D. A. Clark, Jr., "Cost of Production, Processing, and Distribution As a Basis for Establishing Milk Prices Under Market Orders," (Bozeman, Montana: Proceedings, 25th Annual Dairy Industry Week, Montana State University, Part II, Milk Pricing (1960).

[10]Ibid.

Montana dealers. Each processor-distributor is notified by the MCB that an audit will be conducted by the MCB staff for a specific period. Unfortunately, the small MCB staff, the number of dealers, and the large geographic area to be covered precludes the possibility of the audits being held on a current basis. The audit covering the period January, 1965 - June, 1965 might begin June 15, 1966--over a year later. This can be detrimental to both the producer and dealer. A dealer might think that he is paying his producers according to the methods and prices established by the MCB, only to find out that the MCB audit conducted a year later shows he underpaid his producers thousands of dollars.

Milk Prices and Usage

It has been a practice in the milk industry to classify milk according to its use. When Grade A milk comes from the cow it is considered fluid milk; however, the uses applied to this milk determine the average price the dairy farmer shall receive for all his milk. Grade A milk used for fresh, wholemilk is considered Class I and commands a higher price than the same quality milk used for manufactured products (Class III).[11] For the remainder of this study fluid milk will be equated with Class I

[11]The MCB has established four use-classes. Class I, II, III, and IV. Class I and II command the same price and is used by the dealer for fresh wholemilk and fresh milk products, such as, various creams, buttermilk, and chocolate milk. Class III is manufacturing milk used for cottage cheese, ice cream, ice cream mix, butter, etc. Class IV is considered surplus which may be made up of shrinkage, inventory, and separated milk.

and II milk.[12]

Thus the practice of classifying the same quality milk into several different classes that command different prices makes it axiomatic that it is the blend price that the dairy farmer receives for his Grade A milk that is important to him, not the price of fluid milk per se. This can clearly be seen from the following example: Dairy farmer A sells his milk to dealer B who has a usage pattern of 60 per cent fluid, 30 per cent manufacturing, and 10 per cent separated surplus. Dairy farmer C sells his fluid milk to dealer D who has a usage of 80 per cent fluid, 10 per cent manufacturing, and 10 per cent surplus. The prices set by the MCB are $5.50 per cwt. for fluid milk and $3.00 per cwt. for manufacturing milk, (the $0.60 per pound butterfat for surplus milk is not set by the MCB). Based on these conditions, Dairy farmer A will receive a blend price of $4.41 per cwt. for his milk, and producer C a blend price of $4.91 per cwt. for the Grade A milk he sells.

## Milk Markets Under the MCB

The MCB may classify the minimum wholesale and retail price of fluid milk by grade, by type of container or by method of distribution. Consequently, in Montana several marketing conditions

[12]With the passing of House Bill 19, July 1, 1967, the MCB establishes the minimum prices the dairy farmer will receive for Class I, II, and III milk.

not normally found in free markets exist, namely:

1. The fresh milk price in the store is the same as that for fresh milk delivered to the door.

2. There are no discounts. The price for a quart of milk delivered to the home is the same whether the customer takes one quart a week or 100 quarts a week.

3. Effective volume discounts do not exist. The per quart-equivalent price is the same to the consumer whether she buys a single quart container, four quart containers, or a one gallon container of milk. In most markets, the per quart-equivalent price becomes lower as the container size becomes larger.

As of this writing the MCB has divided the State into twelve milk marketing areas. The MCB sets the minimum producer price for fluid milk (effective July 1, 1967, the MCB will also set the minimum price Grade A dairy farmers will receive for manufacturing milk) and the minimum wholesale and retail price for fluid milk products in various forms and quanities for each market. It should be noted that the MCB has no jurisdiction over interstate shipments of milk. If a dealer in Billings, Montana, wants to purchase lower cost milk from North Dakota, he may freely do so. The MCB, however, does control the wholesale and retail price of milk in its final form regardless of whether or not the processor-distributor source of fluid milk was from a Montana producer or out-of-state producer.

## Milk Regulations in other States

Many other states took an active part in passing milk control legislation during the depression. Since 1933 twenty-nine

states have enacted various forms of milk control, namely:

1. States that control the prices to be paid to their dairy farmers for fluid and/or manufacturing milk.
2. States that control the resale prices of fresh milk.
3. States that prohibit the sale of milk below cost.
4. States that control both producer prices and resale prices of fluid milk (Figure 2.1).

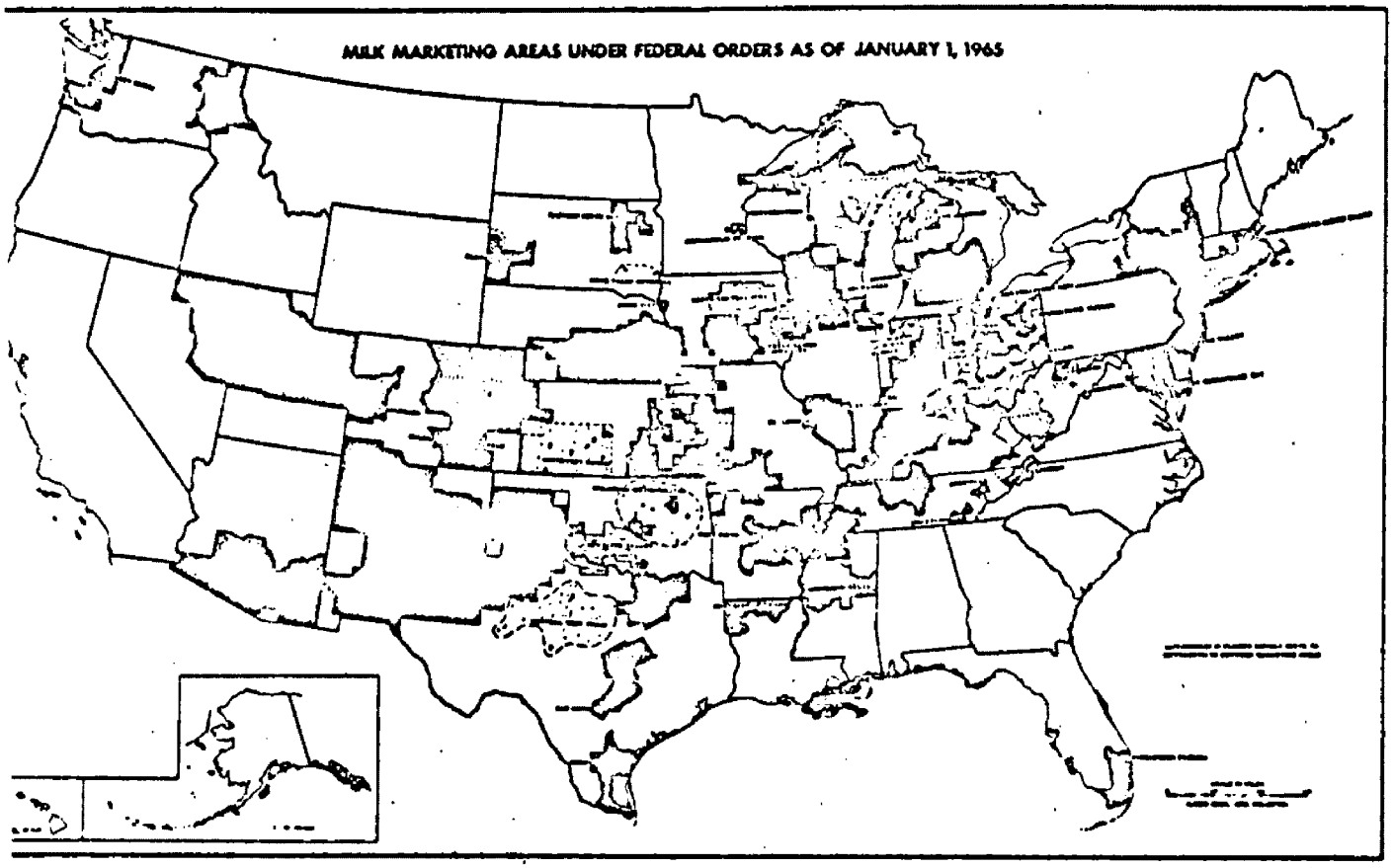
Since 1933 state milk control administration has grown smaller in the absolute number of states having various milk controls and the supply of milk under state control compared to the total supply of milk produced in the nation. Since 1933, ten states have allowed their milk control laws to expire, have repealed them, or such laws were declared unconstitutional.[13] Currently, nineteen states fix minimum producer prices and thirteen of these nineteen control the fixing of minimum resale prices. Montana is one of the thirteen.

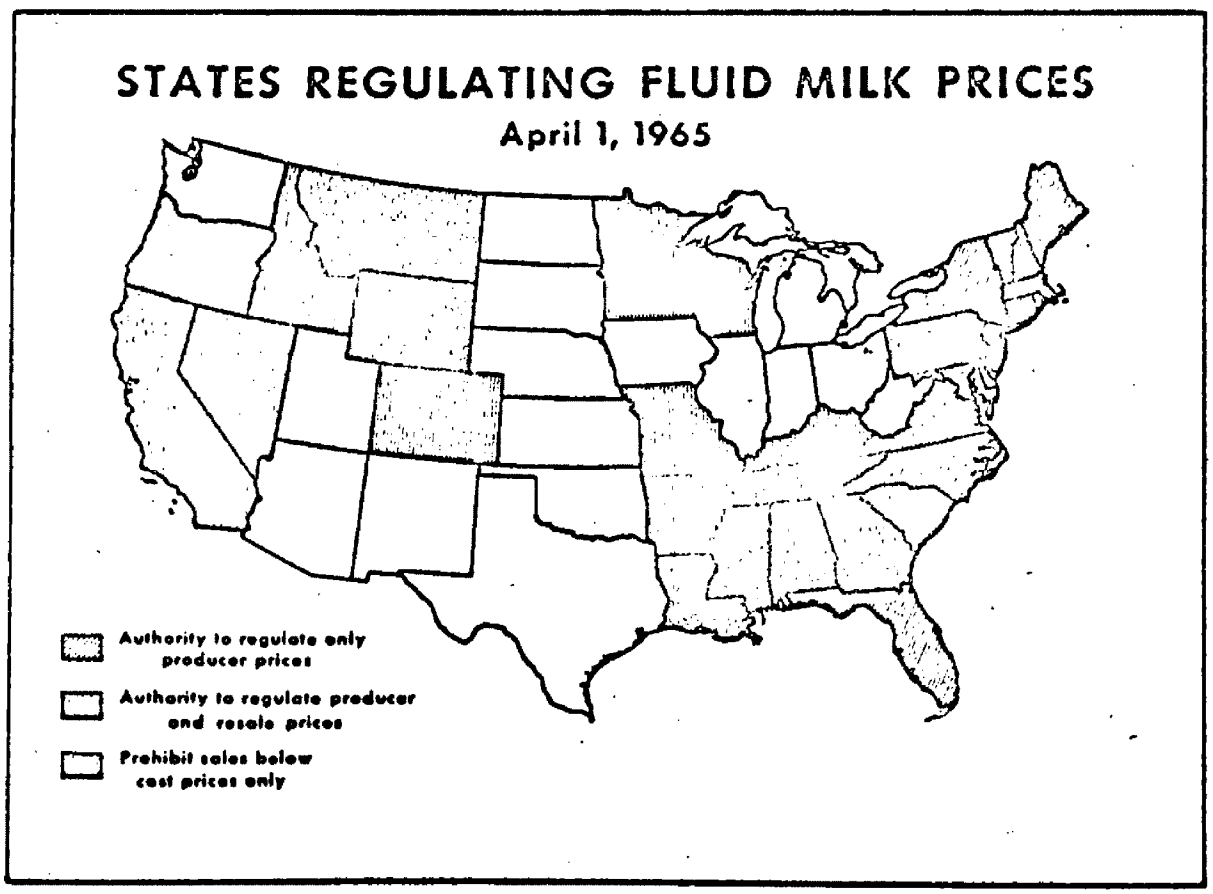
Summary

To protect the public against shortages of milk and unreasonable milk prices, Montana controls in various degrees the production, processing, and distribution of fluid milk. The proponents of such milk controls argue that if the state's dairy industry were required to operate in a free and competitive market, the citizens of Montana would suffer.

---

[13]Roland W. Barlett, "Can the Use of Loss Leaders in the Store Distribution of Milk be Controlled?", Department of Agriculture, Economics Bulletin No. 3, University of Illinois, June, 1961, pp. 51-57.



Montana's dairy industry is controlled by the Montana Milk Control Board. This Board establishes the minimum prices for producers' fluid milk, the minimum prices for the wholesale and retail sales of fluid milk products, and the enforcement of certain fair trade laws applicable to its dairy industry. The effect of having such controls in Montana for the past thirty years or so has been to shift irrevocably the production and distribution of milk from a free market to a highly controlled market.[14]

Particular attention will be given in succeeding chapters to comparing Montana's dairy market with other less controlled milk markets to test the premises put forth by the proponents of milk control legislation.

[14]Briggs, op. cit., p.

# CHAPTER III

## MONTANA PRODUCER PRICES

The center of milk production in the United States is the East North Central region, principally the states of Wisconsin and Minnesota. In 1964 these two states with but 4.1 per cent of the total population of the country, accounted for approximately 23.5 per cent of the nation's total milk supply.[1] The excess supply of milk for the states of Wisconsin and Minnesota results in low milk and dairy prices for this area. Because of the rapid technological advances made in milk transportation during the last several years, this region with its surplus milk affects the price of milk in other regions that have shortages or limited production of milk and/or high fluid milk prices. In the absence of any restrictive supply and price practices, the price of milk generally increases with greater distance from Wisconsin and Minnesota. The price of milk in other states generally approximates the price of milk in Wisconsin-Minnesota plus transportation costs.

### Comparison of the Average Producer Price in Montana and Selected Markets

Using the cost of transporting fluid milk from a recent study made by the Agricultural Marketing Services[2] (1.75 cents per cwt.

---

[1] United States Department of Agriculture, Dairy Statistics, Supplement for 1963-64 to Statistical Bulletin No. 303, Economic Research Service. Washington: Government Printing Office.

[2] Dale H. Carley, "Long-Distance Shipment of Milk-Marketing Practices of Buyers and Sellers," Economic Research Service, United States Department of Agriculture, June, 1965, pp. 11.

for every ten miles) plus the price June, 1964, of milk in the Billings and Eau Clair, Wisconsin, markets, one would find that a processor-distributor in Billings could buy milk from the Wisconsin market for approximately the same price he was paying for fluid milk in Billings. This analysis of the effect of surplus producing areas price plus transportation becomes even more critical for Montana when the production and prices of areas geographically closer to the state are examined.

Table 3.1 and Appendix E illustrates (1) the average price per cwt. for 3.5 milk eligible for the fluid milk market, (2) the average price per cwt. for manufacturing milk, and (3) the average blend price per cwt. in Montana, Idaho, North Dakota, and the Federal Inland Order Market (see Figure 2.1 for the location of this federal market). The reader, while examining Table 3.1, should keep in mind that (1) Idaho controls the sale of resale fluid milk below cost only, (2) North Dakota does not have any federal or state milk controls on producer and resale fluid milk prices, and (3) the Federal Order Markets establish the producer price for fluid milk only.

Table 3.1 reveals that Montana producers receive a higher fluid milk and blend price than the producers of Idaho and North Dakota. Montana's producers averaged $0.46 and $0.95 more per cwt. of fluid milk from 1953 through 1964 than the producers of Idaho and North Dakota respectively. The fact that North Dakota can and does produce milk at substantially lower prices than Montana would not be of particular importance except for the fact that this

TABLE 3.1

AVERAGE MILK PRICES SOLD TO PLANTS AND DEALERS FOR SELECTED MARKETS, 1953-1967

| Year | Montana [a] | | | Idaho [b] | | | N. Dakota [c] | | | Inland Empire [d] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | B | C | A | B | C | A | B | C | A | B | C |
| | dollars | | | dollars | | | dollars | | | dollars | | |
| 1953 | 5.00 | 2.90 | 4.37 | 4.60 | 3.49 | 3.67 | 4.10 | n/a | 3.96 | n/a | n/a | n/a [e] |
| 1954 | 4.78 | 2.60 | 4.20 | 4.36 | 3.18 | 3.34 | 3.90 | n/a | 3.76 | n/a | n/a | n/a |
| 1955 | 4.76 | 2.83 | 4.37 | 4.25 | 3.21 | 3.36 | 3.92 | n/a | 3.79 | n/a | n/a | n/a |
| 1956 | 4.73 | 2.94 | 4.37 | 4.32 | 3.33 | 3.51 | 3.85 | n/a | 3.72 | 5.02 | n/a | 4.64 |
| 1957 | 4.76 | 2.97 | 4.41 | 4.44 | 3.34 | 3.52 | 3.80 | n/a | 3.72 | 5.05 | n/a | 4.39 |
| 1958 | 4.73 | 2.85 | 4.40 | 4.40 | 3.22 | 3.45 | 3.81 | n/a | 3.69 | 4.77 | n/a | 4.32 |
| 1959 | 4.76 | 2.86 | 4.43 | 4.31 | 3.23 | 3.44 | 3.74 | 2.89 | 3.27 | 4.95 | n/a | 4.42 |
| 1960 | 4.57 | 2.86 | 4.26 | 4.26 | 3.22 | 3.42 | 3.74 | 2.93 | 3.55 | n/a | n/a | n/a |
| 1961 | 4.66 | 2.92 | 4.37 | 4.25 | 3.38 | 3.55 | 3.70 | 3.07 | 3.44 | 5.29 | n/a | 4.66 |
| 1962 | 4.78 | 2.80 | 4.44 | 4.23 | 3.18 | 3.39 | 3.67 | 2.79 | 3.20 | 4.92 | n/a | 4.35 |
| 1963 | 4.76 | 2.82 | 4.45 | 4.24 | 3.17 | 3.37 | 3.66 | 2.81 | 3.18 | 4.95 | n/a | 4.95 |
| 1964 | 4.78 | 2.82 | 4.54 | 4.25 | 3.21 | 3.41 | 3.71 | 2.93 | 3.26 | 5.02 | n/a | 5.02 |
| AVERAGE | 4.75 | 2.85 | 4.38 | 4.32 | 3.26 | 3.45 | 3.80 | 2.90 | 3.54 | 4.99 | n/a | 4.60 |

A is average price per hundredweight for 3.5 milk eligible for the fluid market.
B is average price for manufacturing milk.
C is average blend price for fluid milk.

a/, b/, b/, c/, d/ Source: United Stated Department of Agriculture, Dairy Statistics, Bulletin No. 303.

e/ Federal milk marketing order established in 1956.

state produces a surplus of milk. For example, in 1964 North Dakota produced 4.5 times the amount of milk production in Montana and ranked twenty-ninth in milk production among forty-eight states. The fact that North Dakota, with much lower producer milk prices than Montana, produced 4.5 times the amount of milk as Montana, sheds a great deal of suspicion on the assumption made by milk control proponents that low fluid milk prices restrict the production of milk such that the public's health and welfare could be threatened. If this were true, the producers of Montana would be shipping milk to North Dakota instead of reversing the procedure.

The scope of milk distribution has expanded tremendously since much of Montana's milk legislation was enacted. The MCB's actions typify the wide disparity between the practicalities of Montana's present dairy market and the unrealistic archaic milk control laws it is empowered to administer. The MCB, using grossly misleading information gathered from time-consuming public hearings, still establishes milk prices for each of the twelve market areas in the State with the primary purpose being (1) the balancing of supply and demand for milk in each individual market, (2) keeping the small, independent producer operating, and (3) somehow discouraging the importing and exporting of milk to and from any one of the twelve markets. This provincial methodology employed by the MCB has produced inefficient dairy operators in Montana that cannot compete advantageously with dairy producers in other states that have not been under the aegis of milk control laws. The following case is cited from the 25th Annual Dairy Week

held in Bozeman, Montana and illustrates the effect of the MCB on the State's producers. (Note the "getting together" of the distributors and producers in the area in deciding on a price that would be fair to everyone)

> Our area is the eastern part of the state as Dr. Boyd has stated. This includes the Miles City, Glendive, Sydney area. This is right along the North Dakota border. Our area was, in the past, and is pretty much in the present, geared (by both the producers and distributors) to take care of the consumer demand within the area. Now, as is true in other areas also, producers have been dropping out. They have been for some time. The reason for this, as Dr. Ward has stated, is due to technological changes, the need for enlarging herds, and in our areas, the increased cost structure. As George stated, this necessitates a higher price for milk. In other words, more income. Now, if you can't get more efficient production, then you have to get a little higher price per pound. That is the conclusion we came to in that area. Consequently, we went through the normal procedures of the Montana Milk Control Board and arrived at an increase in price. As you know, we are all familiar with the fact that over the State all areas didn't get their differences settled. There wasn't the feeling of cooperation between the producers and distributors as we had in our area. We got together and decided on what was a fair price and everyone agreed. It went through very smoothly. What it did, of course, was to create for us an island of higher prices, as far as Montana is concerned. We are inviting, or as Mr. Carlson has stated, we have passed out a ticket to everyone around to come and sell milk in our area. So today we are faced with the problem of outside milk coming into our area within Montana. Of course North Dakota is beginning to come in and we are beginning to feel the pinch from there . . . . We can see the writing on the wall if something isn't done.[3]
> (Note: Italics are mine)

The assumption that the MCB can protect each of the state's

---

[3]Montana State University, "25th Annual Dairy Industry Week," Part II, (1960).

dairy marketing areas against outside milk supplies is a fallacy. The economic disadvantages associated with such reasoning are obvious: (1) Montana's producers operating under the MCB will remain small and inefficient. (2) Dairy operators of this type need a high blend price that results in high fresh milk prices to the consumer. (3) High consumer milk prices lowers per capita milk consumption which adversely affects the producer production and blend price. If the dairy operators in Montana cannot compete with producers from foreign markets, it would be economically better for the state in the long run if these producers were to leave the dairy business for other opportunities in which they could compete. The main problem is that, much like the producers in the case previously cited, many dairy operators in Montana feel that the MCB will always be there to protect them against the inevitable encroachment of out-of-state competition. Nothing could be further from the truth. The MCB does not have the legal nor the economic resources to stop milk supplies from coming into the state. The natural barriers long associated with the milk industry are gone; with it should go the archaic methods employed by the MCB to protect the state's producers.[4]

The result of Montana's dairy industry being under heavy milk control laws for many years is further exemplified by Table

[4]For an interesting insight on the methods and actions of the MCB, this writer recommends the Transcript of Testimony Before the Milk Control Board of the State of Montana, April 13, 14, and 15, 1966.

3.2. Since 1953 Montana milk production per cow increased eighteen per cent compared to twenty-four per cent for Idaho, forty per cent for North Dakota, and forty-three per cent for the United States. Thus North Dakota's producers have more than doubled the productivity of their milk cows compared to Montana's producers. This is one of the main reasons why North Dakota's dairy farmers can operate at substantially lower fluid milk prices than Montana's producers.

The Dairy Farmers' Share of the Retail Price of Milk

One method of investigating the relative position of the producer versus the distributor is to measure the dairy farmer's share of the retail price of milk. For example, it is generally understood that the producers in Montana feel they should receive fifty per cent of the retail price of milk. Their share of the retail market would be reflected by the Class I price they receive.

The retail price for half-gallon milk (store and home price) was used in Table 3.3 to compare the farm value, farm retail spread, and farmer's share for five basically different types of dairy markets. This Table illustrates the relatively high farm value received by producers in Butte and Great Falls (these are good representative markets for the state) compared to the other markets--particularly North and South Dakota. The reader should also note that the higher the Class I price, the higher is the retail price for half-gallons of milk and farm value received by the dairy farmer. In Montana, the burden that the consumer can

AVERAGE MILK PRODUCTION FOR SELECTED MARKETS AND UNITED STATES 1953-1964

| | Montana 1/ | | | | Idaho | | | | North Dakota | | | | United States | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Average Cows Per Farm | No. of Cows Thou. | Prod. Per Cow Lbs. | Total Milk Mil Lbs. | Cows Per Farm | No. of Cows Thou. | Prod. Per Cow Lbs. | Total Milk Mil | Cows Per Farm | No. of Cows Thou. | Prod. Per Cow Lbs. | Total Milk Mil | | Lbs. | M |
| | | 104 | 5,140 | 535 | | 210 | 6,620 | 1,390 | | 371 | 4,740 | 1,759 | 21,691 | 5542 | 12( |
| | 4.9 | 103 | 5,240 | 540 | 7.5 | 219 | 6,980 | 1,539 | 8.5 | 372 | 4,800 | 1,786 | 6.7 21,581 | 5657 | 122,094 |
| 1955 | | 98 | 5,240 | 514 | | 216 | 7,030 | 1,518 | | 368 | 4,850 | 1,785 | 21,044 | 5842 | 122,945 |
| 1956 | | 95 | 5,260 | 500 | | 208 | 7,260 | 1,510 | | 359 | 4,990 | 1,791 | 20,501 | 6090 | 124,860 |
| 1957 | | 92 | 5,320 | 489 | | 205 | 7,450 | 1,527 | | 335 | 5,260 | 1,762 | 19,774 | 6303 | 124,628 |
| 1958 | | 88 | 5,510 | 485 | | 204 | 7,600 | 1,550 | | 311 | 5,700 | 1,773 | 18,711 | 6585 | 123,220 |
| 1959 | 5.0 | 84 | 5,600 | 470 | 9.3 | 204 | 7,800 | 1,591 | 8.7 | 289 | 6,080 | 1,757 | 9.2 17,901 | 6815 | 121,989 |
| 1960 | | 79 | 5,860 | 463 | | 202 | 8,140 | 1,644 | | 277 | 6,250 | 1,731 | 17,560 | 7002 | 122,951 |
| 1961 | | 76 | 5,920 | 450 | | 200 | 8,280 | 1,656 | | 271 | 6,420 | 1,740 | 17,367 | 7223 | 125,442 |
| 1962 | | 73 | 5,990 | 437 | | 197 | 8,220 | 1,619 | | 264 | 6,550 | 1,729 | 17,050 | 7391 | 126,021 |
| 1963 | | 70 | 6,040 | 423 | | 191 | 8,350 | 1,595 | | 255 | 6,490 | 1,655 | 16,534 | 7561 | 125,009 |
| 1964 | | 68 | 6,070 | 413 | | 185 | 8,200 | 1,517 | | 244 | 6,800 | 1,659 | 16,065 | 7880 | 126,598 |

Source: United States Department of Agriculture, Dairy Statistics, Bulletin No. 303.

1/ From 1954 and 1959 Census.

MILK PRICES: RETAIL (HOME AND STORE) RETAIL PRICE MARGIN'S, AND DAIRY FARMER'S SHARE OF THE RETAIL PRICE FOR SELECTED MARKETS, SETPEMBER, 1965.

| | RETAIL PRICE ½ GAL. | | CLASS I | FARM VALUE 1/ | | FARM RETAIL SPREAD | | FARMER'S SHARE | |
|---|---|---|---|---|---|---|---|---|---|
| | HOME | STORE | PRICE | HOME | STORE | HOME | STORE | HOME | STORE |
| | Cents | | Cents | Cents | | Cents | | Per Cent | |
| (S) | | | | | | | | | |
| | G51.0 | 51.0 | 5.50 | 23.7 | 23.7 | 27.3 | 27.3 | 46 | 46 |
| alls | 51.0 | 51.0 | 5.50 | 23.7 | 23.7 | 27.3 | 27.3 | 46 | 46 |
| akota * | | | | | | | | | |
| ismarck-Manian | G38.0 | 38.0 | 4.03 | 17.3 | 17.3 | 20.7 | 20.7 | 46 | 46 |
| Fargo-Moorhead (F) | G43.0 | 42.0-43.0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Grand Forks | G41.0 | 39.0-41.0 | 3.71 | 15.9 | 15.9 | 25.1 | 23.1-25.1 | | |
| South Dakota (F) | | | | | | | | | |
| Aberdeen | 44.0 | 43.0-44.0 | 4.55 | 19.4 | 19.4 | 25.0 | 23.6-24.6 | 44 | 44 |
| Sioux Falls | G45.0 | 43.0 | 4.55 | 19.4 | 19.4 | 25.6 | 23.6 | 44 | 45 |
| Idaho ** | | | | | | | | | |
| Boise | G51.0 | 51.0 | 5.32 | 22.9 | 22.9 | 28.1 | 28.1 | 45 | 45 |
| Idaho Falls | 46.0 | 49.0 | 4.90 | 21.9 | 21.9 | 24.1 | 27.1 | 48 | 47 |
| Arizona (F) *** | | | | | | | | | |
| Phoenix | G47.0-49.0 | 45.0 | 5.55 | 24.0 | 24.0 | 23.0-25.0 | 21.0 | 51 | 51 |
| Tucson | 53.0 | 51.0 | 5.85 | 25.2 | 25.2 | 27.8 | 25.8 | 49 | 49 |

Source: United States Department of Agriculture, Fluid Milk and Cream Report, September, 1965, and Montana Milk Control Board.

S. All prices shown under state control. *. Prices shown (except Fargo) are not under any state or federal control. F. Producer prices shown under Federal Milk Marketing Order. **. State prohibits retail prices below cost only. ***. Federal Milk Marketing orders only.

1/ Computed using 23.2½ gallons 3.5 milk per hundred pounds (4.30 lbs. per ½ gallon).

bear; i.e., the effect of increased consumer milk prices on per capita consumption, is only given perfunctory attention. Prices established by the MCB are on a cost-push basis with the producers and distributors continually pressing the MCB for better margins.

Enhancing the Economic Position of the Milk Producer

It is a well established fact that milk consumption increases as personal income increases and decreases as the price of milk increases.[5] The MCB in attempting to enhance the economic position of the Montana's dairy producer by raising Class I minimum actually creates higher consumer prices for fresh milk, lower fluid milk consumption, and encourages the uneconomic production of milk. Assume that the MCB establishes minimum Class I and manufacturing prices at $5.50 and $3.00 per cts., respectively, for the Billings' market. The only basis for such prices being the "reasonable" costs of a sample of the "average" producers in the market. The average monthly fluid-use ratio is seventy per cent fluid and thirty per cent manufacturing. At these prices and use proportions, the blend price would be $4.75 per cwt. Because of rising producer costs, the MCB decides to improve the economic position of Billings' producers by raising the minimum Class I price to $5.75 per cwt. The immediate effects, since the supply of milk will not appreciably increase at once, would be (1) a slight decrease in fluid milk

---

[5]United States Department of Agriculture, The Demand and Price Structure for Dairy Products, Technical Bulletin No. 1168, (Washington Printing Office: 1957).

consumption to say, 98.6 (this is calculated from the data supplied in the previously footnoted publication) of its former volume (since the MCB operates on a cost-push basis, it is assumed that the higher producer price created higher retail milk prices), and (2) a rise in the producer blend price to $4.92 per cwt.[6] The higher blend price will gradually encourage an increase in milk supplies, the greater part of which will be used for manufacturing milk. When the milk supply increases, whether this be from producers in the Billings' market or from other markets attracted by the high Class I price, the effect will be a gradual lowering of the blend price until it is equal or falls below the original blend price. For example, a 4.5 per cent increase in the milk supply will bring the blend price to approximately the same as before ($4.75 per cwt.). A seven per cent increase in milk supplies (along with the decline in milk consumption) will lower the blend price to $4.70. A ten per cent increase in the supply of milk would bring the blend price down to $4.62.[7] The net result of the MCB's efforts to enhance the economic position of the Billings' producers over levels that would prevail under normal competitive conditions is higher consumer milk prices, lower milk consumption, and the lowering of the blend price received by the producer involved.

---

[6] $4.92= (.70 X $5.75) + (.30 X 3.00).

[7] $4.62= (.59 X $5.75) + (.41 X 3.00).

Summary

The following can be attributed to Montana's dairy producers who have been operating under the aegis of the MCB since the 1930's:

1. Montana producers generally have exhibited declining milk production and a very low average per cow output compared to the national average and surrounding markets on other states.

2. Montana's producers receive a higher fluid and blend price for milk than the national average and substantially higher than North Dakota and other markets in the Mountain States.

3. Because the MCB has tried to protect the small, independent producer by continually raising the minimum fluid milk price, most of Montana's dairy producers cannot compete with large, specialized operations found in other states.

4. The high fluid prices set by the MCB will encourage surplus producing areas, such as, North Dakota, Wisconsin, and Minnesota to look upon Montana as a potential outlet for their milk.

5. The process used by the MCB of raising Class I prices to enhance the economic position of Montana's producers has created high retail milk prices, very low per capita concumption of fluid milk, and little or no improvement for the dairy farmer.

# CHAPTER IV

## RESALE PRICE CONTROLS

The Montana Milk Control Board establishes the minimum wholesale and retail prices at which various kinds of milk in specified containers may be sold, and regulates prevailing fair trade practices.

The MCB determines alternate ways fluid milk may be purchased and the associated price. These alternatives and prices together with the pattern of consumer choices determine the average fluid milk price paid by the consumers. Both the average price and the range of price alternatives affect the total consumption of fluid milk. Fluid consumption, in turn, is an important factor in determining the blend price paid to the producer.

### The Price of Milk Purchased in the Store and Delivered to the Home

Whole milk for home consumption can be purchased either in the store or it can be delivered to the consumer's home. It is generally understood in the dairy industry that the increased cost associated with home deliveries of milk necessitates charging a higher price than milk sold in stores. If a consumer wants to have milk delivered to his home, usually it is because he is willing to pay the higher price for the convenience of having his milk delivered to the door. However, many consumers would rather purchase their milk at the store taking advantage of the lower store prices. This is also true of consumers who purchase their milk at drive-in milk depots.

Montana consumers do not have any of these choices. The price of milk to the consumer being the same in the store as delivered to the door. In effect, this means that the consumers purchasing milk in the store subsidize the consumers who have their milk delivered. In other words, without any interference from the MCB, the price of milk delivered to the door would be higher than the price of milk sold in stores.

Why does Montana have such controls? It is simply to stabilize the market to such a degree that regardless of the apparent cost differences between alternate methods of distributing milk, the price to the consumer is the same.

The Range of Milk Prices for Milk Delivered to the Home in Controlled, Federal, and Non-Controlled Markets

The range of milk prices available to the consumer is very important. This range indicates the relative opportunities available to the consumer in purchasing milk at various prices. For example, a survey of half-gallon milk prices, March 15, 1967, in a five mile radius in Tempe, Arizona, revealed prices of 39.8¢ at a drive-in milk depot, 49¢ at a Lucky's Supermarket, 53¢ at a Safeway Store, and 57¢ to have a half-gallon of milk delivered to the home.[1] Thus the consumers in this area had several choices of how they wanted to purchase their milk and the prices they were willing to pay.

---

[1]Tempe, Arizona, is located in a Federal Milk Marketing Order. The half gallon milk price of the drive-in milk depot is on a per-quart equivalent basis, i.e., a 10-quart container was selling for $1.99. The other prices represent half gallon milk in paper containers.

Table 4.1 compares the average, median, and range of home prices for controlled markets, federal markets, and non-controlled markets (see Appendix C, D, and G). The Table also reveals the same summary for the Class I price and distributors' gross margins for these markets. The consumers in the controlled markets pay higher prices on a per quart-equivalent basis than the consumers in either the federal or non-controlled markets. They also have a much smaller range of prices to choose from than the consumer in the other two markets.

The following illustrates the legal complications in Montana's dairy industry that promulgate high consumer per quart-equivalent prices:

> Bowing to a court ruling that a gallon of milk is a gallon of milk, regardless of how it is packaged, the Montana Milk Control Board has issued an order equalizing the price of milk sold in gallon containers and twin packs in Billings. A twin-pack is two half gallon containers, combined with a handle.
>
> . . . . . .
>
> Under the order, the retail price of a gallon of whole milk will be $1.00, an increase of three cents, making it the same as a twin-pack.
>
> . . . . . .
>
> Kenneth M. Kelly, the Milk Board's compliance supervisor, said equalizing the price of gallon twin-packs resulted from a court action brought by small dairy plants which felt they could not afford the machinery needed to package in gallon containers.[2]

---

[2] The Billings Gazette, January 25, 1966, p. 10.

TABLE 4.1. COMPARATIVE ANALYSIS ON LOWEST REPORTED MILK HOME PRICES FOR CONTROLLED, FEDERAL ORDER, AND NON-CONTROLLED MARKETS, SEPTEMBER, 1965.

| HOME PRICES | CONTROLLED MARKETS | FEDERAL ORDER MARKETS | NON-CONTROLLED MARKETS |
|---|---|---|---|
| | Cents | Cents | Cents |
| Mean: | | | |
| Qt. | 27.1 | 27.9 | 26.4 |
| ½ Gal. | 53.3 | 48.9 | 50.2 |
| Gal. | 102.3 | 90.7 | 94.0 |
| Median: | | | |
| Qt. | 28.0 | 27.0 | 27.0 |
| ½ Gal. | 54.0 | 48.0 | 49.5 |
| Gal. | 102.0 | 91.5 | 92.5 |
| Range: | | | |
| Qt. | 24.0-29.0 | 22.0-33.0 | 18.0-30.0 |
| ½ Gal. | 45.0-57.0 | 35.0-59.0 | 38.0-57.0 |
| Gal. | 96.0-112.0 | 69.0-116.0 | 73.0-110.0 |
| Class I Price | dollars | dollars | dollars |
| Mean | 5.80 | 5.16 | 5.50 |
| Median | 6.00 | 5.10 | 5.52 |
| Range | 5.06-6.55 | 3.53-6.22 | 3.60-6.40 |
| Distributors Gross Margins | cents | cents | cents |
| Mean: | | | |
| Qt. | 14.6 | 16.8 | 14.6 |
| ½ Gal. | 28.3 | 26.7 | 26.6 |
| Gal. | 52.3 | 46.3 | 46.8 |
| Median: | | | |
| Qt. | 15.1 | 16.1 | 15.2 |
| ½ Gal. | 28.2 | 26.2 | 26.6 |
| Gal. | 50.4 | 47.9 | 45.3 |
| Range: | | | |
| Qt. | 13.1-14.9 | 14.5-19.7 | 10.3-16.6 |
| ½ Gal. | 23.2-28.8 | 20.0-32.4 | 22.6-30.2 |
| Gal. | 53.4-55.6 | 39.0-49.5 | 42.2-56.4 |

Source: Appendixes C, D, and G. (computed data).

Thus, because a few dairy plants felt they could not afford the machinery necessary to package gallon containers, the consumers in Billings pay a higher per quart equivalent price for their milk.

Distributor Gross Margins for Home Delivered Fluid Milk

The mean distributors' gross margin is higher in the controlled markets than federal or non-controlled markets for half-gallon and gallon milk (Table 4.1, p.33). The range of distributors' margins in the non-controlled markets is much greater; i.e., 42.2 to 56.4 cents per gallon of milk compared to 53.4 to 55.6 for the controlled markets.

Table 4.1, p.33) indicates that distributors in controlled markets can generally expect a higher average gross margin than distributors in either federal or non-controlled markets. In computing the distributors' margins for the Great Falls and Butte markets (Appendix C), it was found that the distributors in these markets averaged 29.2 cents gross on every half-gallon of milk retailed. This margin for these two markets is 1.0, 2.6, and 3.0 cents higher than the average distributors gross margin for half-gallons of milk retailed for the controlled, federal, and non-controlled markets respectively as shown in Appendix C. These findings are further substantiated by the study made by Dr. Bartlett (see Chapter IV, page 44 ). Due to the large number of half-gallon milk sales by processor-distributors, a fractional increase in the gross margin on this product can add substantially to a distributor's net profit.

Class I Prices in the Three Market Structures

The mean Class I price for controlled markets is considerably higher than the average Class I price for both the federal and non-controlled markets. The median Class I price for the controlled market is higher than the mean price, indicating a greater number of prices above the mean than below it. The mean and the median Class I price is approximately the same for the non-controlled markets. Because of the producer price controls in the controlled markets, the range of Class I prices for the controlled markets is much smaller than the range of Class I prices for both the federal and non-controlled markets.

Store Prices in the Three Market Structures

Milk prices in the store exhibit the same pattern that was found for home delivery prices previously examined for controlled, federal, and non-controlled markets, (see Table 4.2), namely:

1. The controlled markets' mean price of a quart of milk sold in the store is higher than both the mean of the federal and non-controlled markets.
2. The controlled markets' mean half-gallon price is considerably higher than federal and non-controlled markets.
3. The controlled markets' mean gallon milk price is substantially higher than both the other markets.
4. The range of prices for quarts, half-gallons, and gallons of milk is considerably greater in the

TABLE 4.2. COMPARATIVE ANALYSIS ON LOWEST REPORTED STORE MILK PRICES FOR CONTROLLED, FEDERAL ORDER, AND NON-CONTROLLED MARKETS, SEPTEMBER, 1965.

| STORE PRICES | CONTROLLED MARKETS Cents | FEDERAL ORDER MARKETS Cents | NON-CONTROLLED MARKETS Cents |
|---|---|---|---|
| Mean: | | | |
| Qt. | 26.3 | 25.7 | 25.5 |
| ½ Gal. | 50.9 | 44.4 | 47.6 |
| Gal. | 96.3 | 83.2 | 85.8 |
| Median: | | | |
| Qt. | 26.5 | 26.0 | 27.0 |
| ½ Gal. | 51.0 | 45.0 | 49.0 |
| Gal. | 96.0 | 83.0 | 93.0 |
| Range: | | | |
| Qt. | 22.0-28.0 | 19.0-31.0 | 19.0-29.0 |
| ½ Gal. | 45.0-55.0 | 32.0-61.0 | 33.0-58.0 |
| Gal. | 87.0-106.0 | 55.0-109.0 | 69.0-110.0 |
| Class I Price | dollars | dollars | dollars |
| Mean: | 5.80 | 5.16 | 5.50 |
| Median | 6.00 | 5.10 | 5.52 |
| Range | 5.06-6.55 | 3.53-6.22 | 3.60-6.40 |
| Distributors Gross Margin | cents | cents | cents |
| Mean: | | | |
| Qt. | 13.8 | 14.6 | 13.7 |
| ½ Gal. | 25.9 | 22.2 | 24.0 |
| Gal. | 46.3 | 38.8 | 38.6 |
| Median: | | | |
| Qt. | 13.6 | 15.1 | 15.2 |
| ½ Gal. | 25.2 | 23.2 | 25.4 |
| Gal. | 44.4 | 39.4 | 45.8 |
| Range: | | | |
| Qt. | 11.1-13.9 | 11.5-17.7 | 11.3-15.6 |
| ½ Gal. | 23.2-26.8 | 17.0-34.4 | 17.6-31.2 |
| Gal. | 43-4-49.6 | 25.0-55.8 | 38.2-56.4 |

Source: Data computed from Appendixes C, D, and G.

federal and non-controlled markets. The lowest reported price in the controlled markets being 22¢ per quart, 45¢ per half gallon, 87¢ per gallon; the lowest reported price in the federal markets was 19¢ per quart, 32¢ per half-gallon, and 55¢ per gallon; the lowest reported price for the three container types in the non-controlled markets being 19¢ per quart, 33¢ per half gallon, and 69¢ per gallon.

6. The distributor's mean gross margin in the controlled markets is generally higher than both the federal and non-controlled markets mean gross margins.
7. Because of the greater price activity in the federal and non-controlled markets, the range of gross margins for these markets is larger than the range of gross margins for the controlled markets.

Gross Margins for Stores in the Three Market Structures and Great Falls and Butte, Montana

Very few milk controlling agencies establish the gross margins the stores make. In Montana, the MCB establishes the minimum prices at which fluid milk may be sold in the stores--not the maximum price it may be sold at. Therefore, stores are free to sell milk at any price they like providing they do not sell it at a price under the minimums established by the MCB. There are some people in Montana who feel that since the MCB establishes prices that guarantee the average producer and processor-distributor

an adequate return on their investment--why not a guarantee a uniform margin (gross profit) for the stores on their milk sales? The following is taken from a public hearing held in Billings, Montana, concerning the pricing activities of the MCB. Mr. Gamble, general manager of the Independent Wholesale Grocer, Inc., made this proposal to the MCB:

> I suggest to the Board and to this group that, based upon comparative operating statements and the knowledge that we can gain from them, and from attributing direct dairy expenses and other operating costs against the dairy departments, that this reveals that the average food store in Montana is not receiving an adequate markup on merchandise to cover their cost of operation. Our proposal would be that the Board consider a uniform margin of profit; since we are concerned primarily at the moment with the Billings marketing order in the Billings area, but more likely with the entire State in mind, and that this margin be commensurate with the cost of doing business in the retail food store.[3]

When Dr. Ward, agricultural economist at Montana State University, testified at this hearing he quickly pointed out that the stores in Montana already enjoy a better-than-average markup on the sale of milk based on the prices established by the Board.[4] Table 4.3 and Appendix F emphasize this point by illustrating the half-gallon store price, wholesale price, spread, and markup for the Great Falls and Butte markets compared to the average store half-gallon price, wholesale price, spread, and markup for controlled, federal, and non-controlled markets.

---

[3]Transcript of Testimony, op. cit. p. 48-60.

[4]Ibid.

TABLE 4.3. FOOD STORE AVERAGE GROSS MARGIN ON THE LOWEST REPORTED PRICES FOR HALF GALLON MILK.

| MARKETS | STORE ½ GAL. PRICE Cents | WHOLESALE ½ GAL. PRICE Cents | SPREAD Cents | PER CENT MARK-UP Per Cent |
|---|---|---|---|---|
| GREAT FALLS & BUTTE | 51.0 | 45.0 | 6.0 | 13.3 |
| CONTROLLED MARKETS | Average 50.9 | Average 46.8 | Average 4.1 | Average 8.7 |
| FEDERAL ORDER MARKETS | 44.4 | 41.4 | 3.0 | 7.2 |
| NON-CONTROLLED MARKETS | 47.6 | 43.8 | 3.8 | 8.7 |

Source: Computed from Appendixes C, D, and G.

One should not discount Mr. Gamble's proposal quickly. The MCB is a governmental agency whose powers are legislated. Organized groups, such as process-distributors, producers, and store owners, continually lobby to change existing milk control legislation and create new legislation that will be in their interests. These economic and political pressures, inherent in a controlled dairy market like Montana's, replace the normal activities found in a free market. The consumer, the least organized of any of the groups concerned, relies primarily on a few local housewives that attend various public hearings held around the state meekly protesting the demands of producers and distributors for higher milk prices.

The Effect of Retail Price Range on Milk Consumption

An interesting study was conducted by the Joint State Government Commission of Pennsylvania on the effect of different price ranges on the consumption of milk.[5] Using the well known fact that milk consumption will increase as the consumer's income increases and decrease as the price of milk increases, the Commission arrived at the following relationship: Consumption= 308.05-6.73A + 8.82R +.071I where A is the estimated average retail price of whole milk (cents per quart-equivalent), R is the range of retail prices for whole milk in quart or larger containers

[5]A Report of the Joint State Government Commission, Harrisburg, Pennsylvania, (1963).

depending on the size of container and place of purchase (per quart-equivalent), and I is the median family income (dollars per year). To obtain these relationships, thirty-four markets with similar characteristics were analyzed. The Commission concluded the following: (1) a one cent increase in the average retail price with no change in the price range would result in a per capita consumption decrease of approximately 6.7 pounds per year, (2) a one cent increase in the range of retail prices with no change in the average price is associated with an estimated 8.82 pounds per year increase in per capita consumption.

The previous relationship between the consumption of milk and the range and prices of milk could generally explain the low per capita consumption of milk in Montana illustrated in Table 4.4.

Summary

Between 1933 and 1940, twenty-six states and the federal government enacted milk control laws to set prices that consumers should pay for milk. The federal government, after only a few months, discontinued the setting of minimum resale prices. By 1940 nine states had discontinued fixing resale prices. Six states since 1940 have either discontinued consumer price controls or have modified the idea of establishing retail prices.[6]

Montana's quest for stability in the dairy market at all cost has deprived its dairy industry of the benefits of a more

---

[6]Bartlett, loc. cit.

TABLE 4.4

PER CAPITA MILK CONSUMPTION FOR MONTANA AND UNITED STATES, 1960-65.

| Year | Montana 1/ Used As Fluid Milk And Cream | | | United States 2/ Used As Fluid Milk And Cream | | |
|---|---|---|---|---|---|---|
| | Population Thou. | Total Mil. Lb. | Per Capita Lbs. | Population Mil. | Total Bil. Lb. | Per Capita Lbs. |
| 1960 | 679 | 142 | 208 | 179,992 | 57,300 | 318 |
| 1961 | 695 | 158 | 227 | 183,057 | 56,200 | 312 |
| 1962 | 696 | 168 | 240 | 185,890 | 56,600 | 304 |
| 1963 | 701 | 168 | 239 | 188,658 | 57,400 | 304 |
| 1964 | 702 | 169 | 240 | 191,371 | 57,800 | 302 |
| 1965 | 706 | 167 | 235 | 193,818 | n/a | n/a |

Source: 1/ U.S. Department of Commerce, Current Population Reports, Series 25 and Montana Milk Control Board.

2/ U.S. Department of Commerce, Current Population Reports, Series 25 and U.S. Department of Agriculture, Dairy Statistics, Bulletin 303.

dynamic free market. Louis F. Herrmann, Chief, Animal Products Branch, Research Division, U.S.D.A., has this to say about rigidly controlled markets:

> It is to be doubted whether price stability is a goal to be sought at any cost, or the exclusion of any possible benefits for milk producers, milk distributors, or consumers. Rarely are circumstances such that major improvements in marketing are achieved without appreciably upsetting existing price structures and marketing practices. Rigid stability in such cases could be bought at the cost of progress. A major problem in dairy market regulation is how to achieve reasonable stability without smothering the emerging benefits of modern technology.[7]
> (Italics are mine).

Montana's consumers suffer from existing milk control laws. They have few if any of the normal choices available to consumers purchasing milk in relatively free markets. For example:

1. The price for milk bought in the store is the same as milk delivered to the door. In effect the store purchases of milk subsidize the consumers that have their milk delivered. In most markets, the consumer has the choice of having milk delivered to his home and paying a higher price or buying milk at the store at a lower price.
2. Montana consumers cannot take advantage of purchasing milk in larger containers at a lower per quart-equivalent price. Tables have been presented

---

[7]Louis Herrmann, "Trade Barriers in Fluid Milk Marketing", 25th Annual Dairy Industry Week, Montana State University, (1960), pp. 31-36.

that indicated the much larger range of prices existing in federal and non-controlled markets.

3. Montana consumers cannot take advantage of quantity discounts. These are discounts usually offered to home delivery customers when they take a minimum number of equivalent quart deliveries a month. For example, Yellowstone Dairy and Billings Dairy of Billings, Montana, at one time gave a cent per quart discount if a customer took over sixty quarts for any particular month. This had the advantage of encouraging home delivery customers to order larger quantities of milk, thus lowering delivery cost and possibly increasing consumption.

The following are the results of a study made by Dr. Roland Bartlett:

1. The average gross margin for 41 markets under state control was 12.22 cents per quart or 1.64 cents above the other 118 markets . . . . . .
2. Butte, Montana, has a gross distributor's margin of 13.48 cents per quart. Of the 154 markets studied only nine had margins higher than this. The range for distributors margins per quart was 5.10 to 15.29 cents.[8]

The study of controlled, federal, and non-controlled markets

---

[8]Bartlett, loc. cit.

presented in this chapter went substantially further than Dr. Bartlett's and examined the means, medians, and ranges for prices in various size containers. Average prices for the controlled markets (home, store, and wholesale) were slightly higher for quarts of milk but substantially higher for half gallons and gallons. This relationship was also true for Class I prices and distributors' gross margins. The ranges for the controlled markets were much smaller than the federal and non-controlled markets in all categories.

Montana has a very low per capita consumption of fluid milk. This can be attributed primarily to the pricing policies of the MCB and the restrictions imposed upon the choices available to its milk consumers.

# CHAPTER V

## THE MILK MARKET

In an article entitled, "The Government's Role in Pricing Fluid Milk in the United States," Judge Jerome Frank is quoted as saying:

> The city-dweller or poet who regards the cow as a symbol of bucolic serenity is indeed naive. From the udders of that placid animal flows a bland liquid indispensable to human health but often provoking as much human strife and nastiness as strong alcoholic beverages. The domestication of milk has not been accompanied by a successful domestication of some of the meaner human impulses.[1]

Mr. Brazier, executive secretary of the Montana Milk Control Board, is equally impressed with the complexities involved in "domesticating" milk and governmental controls.[2] Another member of the MCB feels that the "domestication" of milk in Montana has the state's dairy industry in worse shape than during the years of the depression.[3] After over thirty years of milk "domestication" in Montana, the production and distribution of milk retains little if any elements of a free market.[4]

The nation's dairy industry has markets that control none, part, or all of the production and distribution of milk. The nation's dairy industry has dairy farmers that want to sell their

---

[1]United States Department of Agriculture, Dairy Situation, Number 305, May 1965. Washington: Government Printing Office.

[2]Brazier, loc. cit.

[3]Personal interview with a staff member of the MCB. The name is withheld upon request.

[4]Briggs, op. cit., p. 105.

milk to a Federal Order Market; it has farmers that want to sell their milk in state controlled markets; and it has dairy farmers who want to sell their milk production in a free market. Some processor-distributors prefer the protection of a rigidly controlled market, while others feel they can operate best in a free market. Many experts in the dairy industry express the viewpoint that only the dairy farmers need price protection and the distribution of milk products should operate in a free, competitive market. Other equally competent dairy experts point out that the only way to effectively protect the public health and welfare against shortages of milk and high milk prices is to control the production and distribution of milk. Many others express various viewpoints regarding various combinations of production and distribution controls.

The milk industry places extreme emphasis on price and not quality and/or brand loyalty. There is general agreement in the dairy industry that the consumer will shift his buying of milk from one brand to another when even the smallest price differential exists. Consequently, it is possible for large, well-financed processor-distributors to cut prices until the smaller, independent distributors are forced out of business. The large distributor will then find himself in a monopolistic position and will be able to raise the price of milk to whatever levels he chooses. Thus in the short run the consumer finds advantageous price competition, but in the long run the average price of milk will be higher.

There is little argument against the assumption that milk controls in a market affect the development of that market's dairy industry. Different controls affect different markets in different ways. For example, Montana's rigidly controlled dairy industry should exhibit a different market structure than a relatively free market such as North Dakota, a federal milk market found in Phoenix, Arizona, and a market that prohibits the sale of milk below cost only; for example, Idaho. An examination of such markets and Montana's controlled market should reveal some strengths and weaknesses of each that should be beneficial in evaluating the effect of milk controls.

## Federal Milk Marketing Orders

In contrast to the steady diminishing of state control over the nation's total milk supply, milk under the jurisdiction of Federal Marketing Orders has increased rapidly since the early 1950's.

Under federal milk legislation enacted in 1937, producers supplying milk interstate may (1) petition the United States Secretary of Agriculture to establish a federal milk marketing order, (2) vote on the acceptance of such an order, and (3) participate actively in its execution.[5]

Each marketing order is a separate entity that establishes its

---

[5]H. L. Forest, Some Facts About Federal Milk Marketing Orders. United States Department of Agriculture, AMS, Washington, D. C., June 25, 1965.

own price for producer fluid milk usually based upon various economic indices, such as, index of prices, personal income, wholesale price index, and the price of manufacturing milk in Chicago.

There are approximately eighty Federal Milk Marketing Orders controlling approximately fifty-five per cent of the nation's total fluid milk supply.

The primary reasons for the increased growth of federal orders over state controls are (1) the technological changes in the production and transportation of milk that have broken down previous local milk marketing barriers, (2) the courts have voided various attempts by state governments to restrict the interstate supply of milk, and (3) Federal Milk Marketing Orders are much more flexible and responsive to economic conditions than most state milk controls and are being accepted much more readily by various segments of the nation's dairy industry.

Extent of Milk Production and Marketing Under Federal Programs

During 1964, 167,990 producers sold 54.4 billion pounds of milk to federally regulated milk pools for which they were paid 2.3 billion. These 1964 milk sales to Federal Order Markets represent an increase of 132 per cent over 1950 when 18.7 billion pounds were sold to such markets. The amount delivered to federal markets in 1964 was approximately half the total milk supply sold to dealers in the United States. In 1950 the amount of milk sold to federal orders was 25.1 per cent of the nation's total milk

supply.[6]

The amount of Class I milk marketed by dealers under federally regulated markets has also expanded since 1950. Table 5.1 illustrates this growth in absolute amounts and lists these figures as a percentage of the nation's total Class I sales. Thus Table 5.1 points out that fluid milk marketed under federal orders has increased approximately 165 per cent since 1950.

The ratio between fluid milk and manufacturing milk has changed very little since 1950: that is, 60.0 per cent in 1950 and 64.5 per cent in 1960.

Montana Milk Controls and Federal Milk Marketing Orders

While the MCB tries to maintain through the establishing of minimum fluid milk prices a "reasonable" return on investment for its producers and dealers, Federal Marketing Orders provide only the opportunity for producers to participate in a market where the fluid milk price is set to meet supply and demand based usually on some economic formula. Thus the price participating dairy producers will receive in any one Federal Milk Marketing Order will fluctuate during the year depending upon certain economic conditions. Federal markets do not establish fluid milk prices on any producer cost data. As previously mentioned, this method has been proven highly inaccurate and time consuming.

Federal orders do not restrict the marketing of milk produced

---

[6]United States Department of Agriculture, "Government's Role in Pricing of Fluid Milk in the United States," ERS-239, Government Printing Office, Washington, D. C., May 1965.

TABLE 5.1. MILK MARKETED UNDER FEDERAL ORDERS 1950 to 1960.

| Year | Quantities | | As a Percentage of U. S. Totals | |
|---|---|---|---|---|
| | Class I Sales Mil. lb. | Receipts Mil. lb. | Class I Sales | Receipts |
| 1950 | 11.0 | 18.5 | 27.0 | 30.0 |
| 1951 | 12.0 | 20.0 | 27.1 | 31.0 |
| 1952 | 12.3 | 21.3 | 28.0 | 33.0 |
| 1953 | 15.0 | 25.0 | 30.0 | 36.5 |
| 1954 | 18.2 | 28.1 | 31.1 | 37.5 |
| 1955 | 19.0 | 29.5 | 33.0 | 38.5 |
| 1956 | 19.5 | 31.1 | 33.5 | 39.0 |
| 1957 | 20.1 | 33.0 | 34.0 | 40.5 |
| 1958 | 23.0 | 35.0 | 36.5 | 45.0 |
| 1959 | 28.0 | 40.0 | 39.5 | 50.0 |
| 1960 | 29.1 | 45.0 | 43.0 | 55.0 |

Source: United States Department of Agriculture, Economic Research Service-44, November, 1961.

in one marketing area from being sold in another marketing area. Producers participating in a federal market are free to market their milk where they choose.

While the MCB does not restrict the shipment of fluid milk between the state's twelve marketing areas, it does specify that fluid milk shipped to another marketing area within the state must command the established price of the receiving market. Consequently, a processor-distributor in Billings cannot purchase surplus fluid milk from Bozeman at the Bozeman market prices: he is forced by law to pay the Billings market price. Such a policy enforced by the MCB inhibits the natural flow of milk within the state from areas that have the ability and environment to produce surplus milk at reasonable prices and promotes uneconomic production of fluid milk in areas that do not have the ability and/or environment to produce reasonable priced fluid milk. (See page 22).

Milk Production Increases and the Number of Milk Cows Decreases

In the United States from 1940 to 1950 there was very little change in the number of milk cows, production per milk cow, and the total amount of milk produced.[7] After 1950, however, there were substantial increases in milk production per cow accompanied by a relative decline in the number of milk cows. Total milk production, because of these offsetting factors, increases slightly from 1950

---

[7]United States Department of Agriculture, "A Decade of Change in the Dairy Industry 1950-1960," ERS-44, Government Printing Office, Washington, D. C., November, 1961.

to 1960.[8] For example, using 1940 as the base year, total milk production went up eight per cent from 1940 to 1950 and approximately five per cent from 1950 to 1960. The total gain in milk production from 1940 to 1960 was thirteen per cent. During this same period, the decline in the number of milk cows was twenty-five per cent. This represents a total decline in the number of milk cows in the United States during this period of 6,122,000 as shown in Table 5.2.

In order to compensate for the decline in the number of milk cows and the demand for greater supplies of milk for a burgeoning population, dairy farmers employed improved management techniques (such as, breeding, feeding, purchasing, and sanitary methods) in their operations. The result was an increase in milk cow productivity of fifty-six per cent from 1940 to 1960.

Montana's dairy farmers have not kept pace with other markets in the vital area of milk production. In 1940 Montana's milk production was 688 million pounds of milk produced from 148,000 cows or an average of 4,650 pounds annually per cow. This was approximately the same output per cow as the 1940 national average (Table 5.2). However, in 1960 the national average output per cow was 7,004 pounds of milk compared to Montana's 5,870 average cow production. If Montana's dairymen had kept pace with national average productivity per cow, in 1960 they could have produced the same amount of milk with 66,000 milk cows rather than 79,000

Not only have Montana's milk producers failed to keep pace

---

[8] Ibid.

TABLE 5.2. MILK PRODUCTION IN MONTANA AND THE UNITED STATES 1940 to 1960.

| Year | Montana | | | United States | | |
|---|---|---|---|---|---|---|
| | Milk Cows | Production Per Cow Lbs. | Total Mil. Lbs. | Milk Cows | Production Per Cow Lbs. | Total Mil. Lbs. |
| 1940 | 148,000 | 4,650 | 688 | 23,671,000 | 4,622 | 109,412 |
| 1950 | 114,000 | 4,960 | 565 | 21,944,000 | 5,314 | 116,602 |
| 1960 | 79,000 | 5,870 | 464 | 17,549,000 | 7,004 | 122,920 |

Source: United States Department of Agriculture, Statistical Bulletin No. 303.

with national averages regarding per-cow milk production, but they also rank last among the eight Mountain States as shown in Table 5.3. Why such low milk production per cow in Montana? Poor cows or poor management? The following case indicates management improvements dramatically affect cow performance:

> A dairy farmer was experiencing a very low production output per cow. A group of trained dairy specialists were invited to operate this farm for a period of time. Basically the same farm facilities were used, but the specialists employed advancements in feeding and milking of cows. After a period of time, production per cow increased considerable. The operation of the farm was then turned back to the owner. In a very short period of time per cow milk production dropped back to previous low levels.[9]

The effect of dairy management on cow productivity is further emphasized by Dr. James D. Schuh, associate professor of dairy science, when he states, "Experience has shown that the production potential of the dairy cow is largely the role of feeding and management."[10]

Many dairy farms in Montana do not devote 100 per cent of its activities to dairy farming. These "sideline" milk producers cannot in the true sense of the word be called dairymen. Dr. Becker indicated that the very low per dairy cow production of Montana's milk producers generally validate such an assumption.

---

[9]Personal interview with Dr. J. Becker, agricultural economist, Arizona State University, Tempe, Arizona.

[10]James D. Schuh, "Getting the Most from Your Cow," Proceedings, 14th Annual Dairymen's Conference, Arizona State University Farm, The Business of Dairying, Tempe, Arizona, March 28, 1967, p. 19.

TABLE 5.3. AVERAGE ANNUAL MILK PRODUCTION PER COW MOUNTAIN STATES AND UNITED STATES, 1964

| State | Milk Production Per Cow Lbs. |
|---|---|
| Arizona | 10,170 |
| Nevada | 8,950 |
| Utah | 8,490 |
| Idaho | 8,200 |
| Colorado | 7,770 |
| New Mexico | 7,100 |
| Wyoming | 6,910 |
| Montana | 6,070 |
| United States | 7,880 |

Source: United States Department of Agriculture, Supplement for 1963-64 to Statistical Bulletin No. 303.

Unfortunately, despite numerous articles that have been written regarding the future of small, "sideline" milk producers, the MCB still feels it can protect the producers of Montana against large, specialized dairy farms found in other states and does not encourage, but by its actions, discourages technological advances in milk production. Such an article appeared in the Phoenix Gazette that succinctly points out the dilemma facing Montana's dairy production:

> The Agricultural Department predicted today the number of farms producing milk will continue to decline until there are virtually no farms producing this food except specialized dairy operations. "The sideline dairy enterprise on general farms is rapidly disappearing, as is the small dairy farm," a department report said.
>
> Technological advances in milk production, the report said are having an overall effect of drastically increasing the output per man-hour of labor, per cow and per unit of feed.
>
> In the process, purchased inputs, machinery, artificial breeding services, purchased feeds and many others have been substituted for inputs of the farmer's own labor and feed, forage and young livestock raised on the farm.
>
> Since only large, specialized production units can take full advantage of these technological developments, officials said smaller, general farming units are placed at a competitive disadvantage.[11]

The MCB has implied that one of its objectives is to keep the small, independent producer and distributor in business.[12] Because small operating units cannot take advantage of technological developments,

---

[11]The Phoenix Gazette, September 24, 1966.

[12]Personal interview with a staff member of the Montana Milk Control Board. Name withheld upon request.

it is axiomatic that such units need a higher milk price than large, specialized units that can operate on smaller margins because of large volume. Consequently, regardless of whether or not the basing of milk prices on "reasonable" costs is valid, the MCB has been forced to increase fluid milk prices so Montana's many "sideline" producers can maintain a "reasonable" return on their dairy operation. Montana, therefore, is becoming a very inviting market to the large, specialized dairy operations found in North Dakota, Minnesota, and Wisconsin. The primary reason why out-of-state imports of milk have not been greater in Montana during the past several years, is primarily due to the general shortage of fluid milk throughout the nation. When this situation changes, Montana's high fluid milk prices will be an open invitation to surplus producing areas. A more critical analysis is made of Montana's fluid milk prices and surrounding out-of-state market prices later in this study.

Income and Investment in Dairy Farming

In the period immediately following World War II, there was a general decline in dairy farming across the nation. This movement away from dairy farming can be attributed largely to (1) the availability of more attractive economic opportunities, and (2) the increased investment required (per hundred pounds of milk produced) as dairy farms become more specialized. For example, in Montana a farmer could previously enter into dairy production by buying some milk cows and cans to haul the milk in and by modifying his barn for milking. Today the same farmer would need

a milk parlor, special milking equipment, a refrigerated bulk tank to store his milk until it was picked up, and higher quality feed for his cows. Although no figures are available that might show the average investment required for a typical dairy farm in Montana, the average investment for a dairy farm in Eastern Wisconsin was $71,990 in 1965.[13]

The Table that follows (Table 5.4) indicates that there were 561 licensed Grade A producers in Montana during the period July 1, 1960-July 1, 1961, compared to 461 such producers for the reporting period July 1, 1964-July 1, 1965.

The Number of Dairy Processing Plants is Decreasing

From 1958 to 1963 the number of processing plants in the United States decreased approximately twenty per cent while dairy product sales per processing plant were increasing in dollar volume almost ten per cent. This increase in dollar volume can partially be explained by the eight per cent rise in wholesale milk prices and the four per cent increase in retail dairy products sold during this period.[14]

Despite attempts by the MCB to keep the small, independent processor-distributor operating, large, national dairy plants (e.g., Beatrice Foods, Inc., and Darigold) now control much of Montana's fluid milk sales. Although it was impossible to obtain

---

[13]United States Department of Agriculture, "Dairy Situation," No. 307, September, 1965. Washington: Government Printing Office.

[14]United States Department of Agriculture, loc. cit.

TABLE 5.4. LICENSED DISTRIBUTORS AND PRODUCERS IN MONTANA JULY 1, 1964 - JUNE 30, 1965

| | |
|---|---|
| Number of Montana Distributors Licensed | 37 |
| Number of Out-of-State Distributors Licensed | 16 |
| Number of Jobbers Licensed | 15 |
| Number of Producer-Distributors Licensed | 16 |
| Number of Milk Producers Licensed | 461* |

Source: Montana Milk Control Board, Annual Report of Administrative Activities, Helena, Montana

* This figure was 561 for the reporting period July 1, 1960-July 1, 1961.

information regarding the sales volume for each distributor in Montana, a staff member of the MCB told this writer that in 1966 Beatrice Foods, Inc. controlled approximately fifty-five per cent of the state's dairy product sales.[15] The method used by Beatrice Foods, Inc. to obtain such a large share of Montana's dairy market was very simple. Several years ago, Beatrice Foods, Inc., started buying the largest independent processor-distributor in each of the major cities of the state; e.g., Billings Dairy in Billings, and Community Dairy in Missoula. Consequently, the number of licensed distributors shown in Table 5.4 is deceiving because Beatrice Foods and Darigold hold several of these licenses.

The Marketing and Farm Use of Milk Have Changed Considerably Since 1950

Significant changes have taken place in the farm use and marketing of milk during the period from 1950 to 1964. Table 5.5 illustrates the fact that farmers presently are consuming very little of their own milk production. The fluid use of milk marketed by the dairy farmer has risen from thirty-nine to sixty-one per cent per one hundred pounds of milk. The diverting of fluid milk into manufactured products increased four per cent during the same period. From these figures, it can be assumed that the average dairy farmer in the United States is receiving a substantially higher blend price for fluid milk in 1964 than he received in 1950.

---

[15]Before House Bill 19 was passed during the 1967 Montana legislature, information such as this was classified confidential and by law was unavailable.

TABLE 5.5. MARKETING AND FARM USE FOR 100 POUNDS OF MILK UNITED STATES 1950 - 1964

| Classification | Per Cent Used Per 100 Pounds 1950 | 1964 |
|---|---|---|
| Farm Retailed | 4 | 1 |
| Farm-Separated Cream | 17 | 4 |
| Farm Use | 15 | 5 |
| Manufacturing | 25 | 29 |
| Fluid Use | 39 | 61 |

Source: United States Department of Agriculture, D-S-306, July, 1965.

The marketing of fluid and manufacturing milk in Montana from 1959-1965 is illustrated in Table 5.6. The blend ratio for Montana producers increased during this period from seventy-nine per cent fluid in 1959-60 to eighty-five per cent in 1964-65. Consequently, the per cent of Grade A producer's milk that went into manufactured products decreased six per cent from 1959 to 1965. This change in blend ratio generally was the result of high fluid milk prices established by the MCB compared to relatively low manufacturing prices paid by Montana's processor-distributors. Grade A producers are reluctant to sell their milk at manufacturing prices and tend to limit their production to meet fluid milk demand.

The effect of high fluid milk prices and relatively low manufacturing prices (see Table 3.1, Page 20) in Montana has led to a shortage of manufacturing milk in the state (this situation generally occurs during the winter months when milk production is down and consumption is up). Many Montana milk producers feel that they can raise the blend price they are receiving by either culling their herds or separating part of their milk production when too much of their Grade A milk is being diverted to manufacturing products. Unfortunately, this method is detrimental to both the producer and processor-distributor and, in the long run, the consumer. For example, Producer A sells his fluid milk to Dealer B. Dealer B's use pattern for Grade A milk generally averages seventy per cent fluid and thirty per cent manufacturing milk. Assume that the MCB sets a fluid price of $5.00 and a manufacturing use price of $3.00 for this particular market. At these prices and

TABLE 5.6. MARKETING OF FLUID AND MANUFACTURING MILK IN MONTANA 1959 - 1965

| Year | Fluid Milk Mil. Lbs. | Manufacturing Milk Mil. Lbs. | Blend Ratio Per Cent | |
|---|---|---|---|---|
| | | | Class 1 | Manuf. |
| 1959-60 | 142.3 | N/A | 79 | 21 |
| 1960-61 | 157.5 | 42.2 | 76 | 24 |
| 1961-62 | 167.6 | 53.1 | 76 | 24 |
| 1962-63 | 167.6 | 53.1 | 81 | 19 |
| 1963-64 | 168.5 | 39.9 | 85 | 15 |
| 1964-65 | 166.6 | 28.4 | | |

Source: Figures supplied by Ken Kelly, Administrative Supervisor, Montana Milk Control Board, March, 1966.

Note: These figures represent only Grade A licensed producers as defined by the Montana Milk Control Board.

use proportions the blend price to Producer would be $4.40. Producer A feels that he cannot sell Grade A milk at $3.00 and, decides to send in to Dealer B only enough milk to meet the demand for fluid milk (for this hypothetical case it is assumed that Dealer B buys milk only from Producer A--the analysis remains the same, however, even if Dealer B was buying milk from several producers). Dealer B, in order to meet his demand for manufacturing milk, is forced to purchase milk from outside sources. Many times this source is from out-of-state markets that have surplus milk. The problem arises when Dealer B has to purchase manufacturing milk at fluid milk prices.[16] What effect do these circumstances have on the blend price and income received by Producer A? How does this situation effect Dealer B?

According to the regulations established by the MCB, all milk received by licensed processor-distributors in Montana is "pooled". In other words, if a dealer has twenty-five producers, all of the milk received is pooled and each producer receives the same fluid-use and manufacturing-use percentage. It should be noted that all milk received by the dealer is pooled--not just the milk received from his producers. Thus, in our example, the fluid milk that Dealer B purchased from out-of-state sources is pooled with the milk received from Producer A. Assuming that Dealer B needs are 70,000 pounds of fluid milk and 30,000 pounds

---

[16]This situation happened many times while this writer was employed by the Thompson Dairy, Inc., Billings, Montana.

of manufacturing milk per month the following will result when Producer A tries to increase his blend price by sending in to Dealer B only enough Grade A milk to meet the demand for fluid milk:

Month
Producer A

| | Gross Income $ | Blend Price $ | Milk Sold Lbs. | Use: Fluid-70% Lbs. | Manuf. -30% Lbs. |
|---|---|---|---|---|---|
| Before | 44,000 | 4.40 | 100,000 | 70,000 | 30,000 |
| After | 30,800 | 4.40 | 70,000 | 49,000 | 21,000 |
| Producer A Wanted This | 35,000 | 5.00 | 70,000 | 70,000 | - |

Month
Dealer B

| | Dollar Cost For Fluid and Manufacturing Milk $ | Blend Cost $ | Pounds of Milk Processed Lbs. | Use Fluid Lbs. | Use Manuf. Lbs. |
|---|---|---|---|---|---|
| Before | 44,000 | 4.40 | 100,000 | 70,000 | 30,000 |
| After | 45,800 | 4.58 | 100,000 | 70,000 | 30,000 |

Under these circumstances Producer A receives the same blend price and $13,200 less income. Dealer B's cost rises slightly for the total supply of milk he needs ($1,800) and the out-of-state source of milk receives one hundred per cent Class I price for the milk he delivers. The processor-distributor in this situation has

a very distinct advantage over the producer in being able to pass the increased cost of buying milk from other sources back to his producers.

Changes in the Per Capita Consumption of Different Dairy Products

Figure 5.1 indicates the changing consumption patterns for certain dairy products by the consumers in the United States from 1947-49 through 1960. Milk products high in butterfat; e.g., coffee cream, whipping cream, butter, and evaporated milk, have decreased in per capita consumption approximately forty-five per cent during this period. Other dairy products low in butterfat; e.g., nonfat dry milk,[17] cottage cheese, and fluid milk with less butterfat (commonly called "2% milk") but high in protein and calcium, have risen seventy to ninety per cent. The primary reasons for this change are (1) the voluminous amounts of literature associating heart trouble with foods high in animal fat and (2) lower priced substitute products; i.e., margarine and nonfat dry milk.

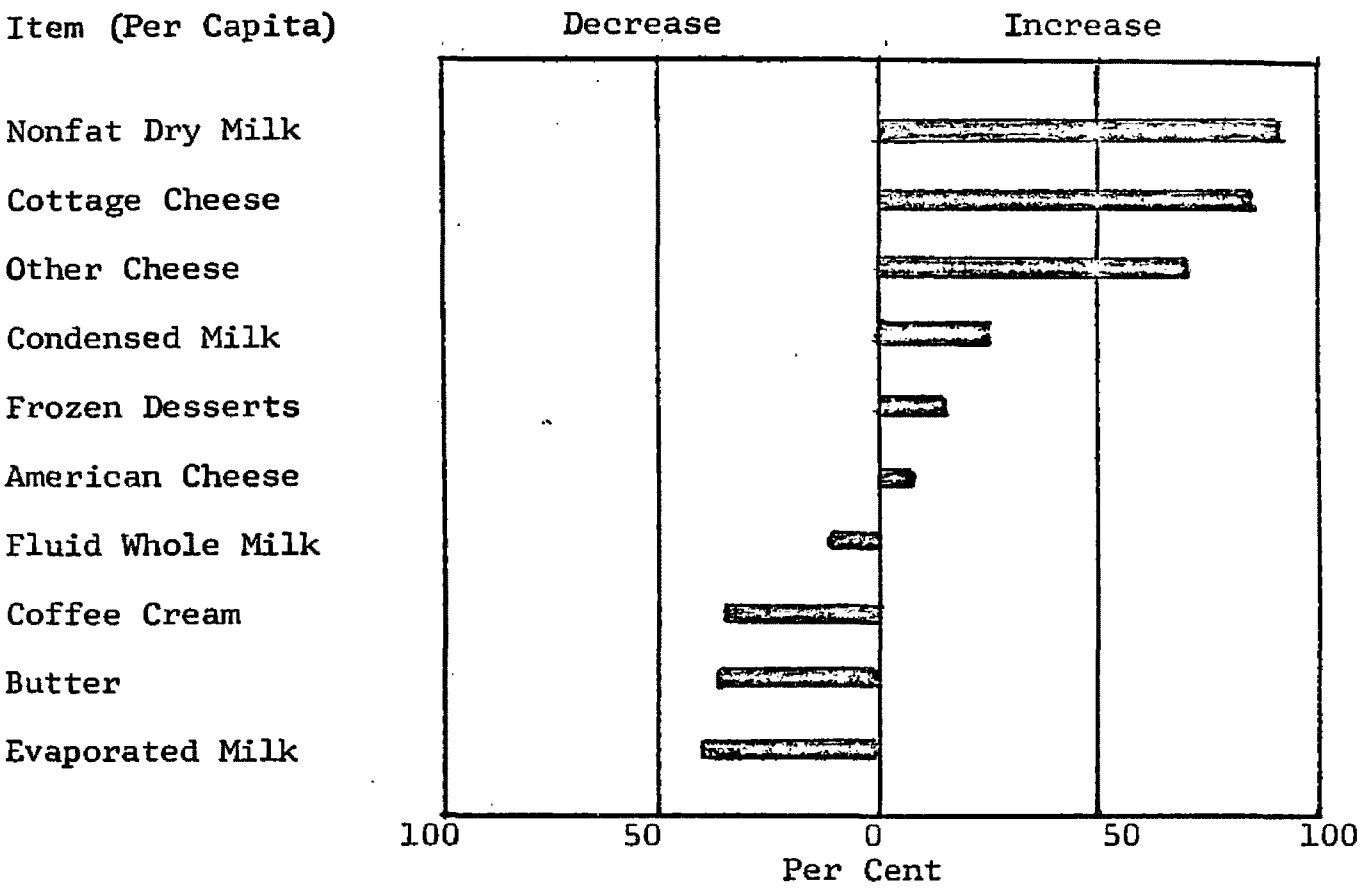
For example, at a recent public hearing held by the MCB in Billings, Montana, several housewives asserted that if the MCB continues to increase the price of fluid milk, they would be forced to either purchase cheaper raw milk and/or substitute nonfat dry

---

[17] March, 1967 Reader's Digest contains an interesting article by James Daniels, agricultural economist, entitled "How To Save Money On Milk". The author uses a blend of whole fresh milk and nonfat dry milk to cut his milk cost in half while still giving his family the benefits of protein, calcium, riboflavin, vitamins, and other soluble minerals.

FIGURE 5.1. CHANGES IN THE PER CAPITA CONSUMPTION OF DIFFERENT DAIRY PRODUCTS

Changes from 1947-49 to 1960




Source: United States Department of Agriculture, Economic Research Service, 426-61 (8).

milk for whole fresh milk.[18]

Summary

This chapter pointed out some of the economic and marketing complexities of milk and the relative changes that have taken place in Montana's and the nation's dairy industry. These changes reflect the following:

1. Federal Milk Marketing Orders have grown rapidly during the past decade.
2. Nationally, milk dairy cow production has increased substantially since the 1950's. In Montana, however, dairy cow productivity lags behind both the national average and surrounding Mountain States averages.
3. Dairy farms in the future will be large, specialized production units. The "sideline" dairy farmer, who is presently at a distinct disadvantage compared to these modern operations, will eventually disappear.
4. Montana's very low dairy cow productivity is the general result of many of the state's dairy producers being small and inefficient. The protective atmosphere promulgated by the very presence of the Montana Milk Control Board has prevented many technological advances (mostly in dairy management) that would normally accrue

[18]The MCB and State health officials cannot prevent anyone from purchasing unpasteurized milk directly from a farmer usually at half the price of pasteurized milk sold in stores. This possibly could partly explain the very low fluid milk per capita consumption reported for Montana.

in a competitive dairy industry.

5. In Montana and in the nation, the processing and distribution of dairy products has become concentrated in the hands of the large, national companies.
6. The per capita consumption of various dairy products has changed considerably during the past ten years.

# CHAPTER IV

## CONCLUSION AND RECOMMENDATIONS

Within the past decade, the nation's dairy industry has witnessed a remarkable expansion of distribution areas for fluid milk. Whereas sales of fluid milk in the 1950's were made almost entirely within a rather small area surrounding each milk plant, today fluid milk moves, in many instances, hundreds of miles from producer to processing plant to consumer.

Technological, economic, and social factors have contributed to widening the sales of fluid milk, Widespread and improved facilities for refrigeration, better quality control, and a vast network of super highways have made it possible for milk produced in Wisconsin, Minnesota, and other surplus producing areas to be available to dairy markets across the nation. These developments in milk handling are relentlessly attacking the boundaries of small, local milk markets.

This broadening of fluid milk boundaries makes it necessary that each market align its fluid milk prices with potential supply area prices plus transportation. Given certain conditions, even a small price differential in fluid milk can shift the supply of milk from one area to another.

American dairymen have made considerable progress in producing a larger volume of milk with a smaller input of labor. Improved breeding and feeding has been an important factor in increased cow production. Important changes also have taken place in the management

and housing of dairy herds. These developments have tended to increase the size of the dairy enterprise and the supply of milk available for sales.

As these marketing changes take place, increasing burdens are placed upon the administrators of milk control policies. The forsaking of the elements a free dairy market for one that is rigidly controlled places grave responsibility on the proponents of milk controls. Imperfect competition is not always the most desirable market structure in the dairy industry, but the complexities associated with today's milk industry precludes efficient and realistic decisions by even the most alert, responsible, and informed administrators of milk controls.

## Conclusions

Montana has a rigidly controlled dairy industry that has generally abandoned the concepts of a free market. The primary purpose for such actions by Montana were meant to be the protection of its citizens' health and welfare. This study has examined various segments of Montana's dairy industry, other state milk industries, and the national milk market to test the assumption put forth by the proponents of milk controls in Montana (and elsewhere for that matter) that its citizens benefit from a state controlled dairy market. The following conclusions can be put forth regarding the effect of the Montana Milk Control Board's actions on the state's dairy industry:

1. Montana has relatively high consumer milk prices which can be attributed to high fluid

producer prices, higher than average distributor gross margins, and substantial store markups on milk.

2. Retail price controls in Montana have reduced the consumption of fluid milk through the imposition of restrictions upon the choices available to milk consumers. Specifically, these are the prohibition of quality and volume discounts.

   The result of such actions by the MCB has created a very high per-quart equivalent price for the citizens of Montana compared to other markets.

   Fluid milk consumption in Montana is lower than in nearly any other state.

3. Montana has relatively high fluid producer prices that can be attributed to the technological inefficiencies of the producers promulgated by the presence and actions of the MCB.

4. One national dairy operating in Montana controls approximately fifty-five per cent of the dairy market.

Summary

In the main, Montana milk regulations have sheltered small, inefficient milk producers, produced high fluid milk prices, and per-quart equivalent milk prices to the consumer, and distorted the market so that one national dairy controls over fifty per cent of the processing and distribution of dairy products in the state. These conclusions emerged from a review of Montana's dairy industry and approximately 160 other markets throughout the United States. The principle design of this study was to determine the extent to which the state controlled milk industry of Montana differed from

non-controlled and federal markets in the production, distribution, and consumption of fluid milk. The main criterion was the impact of Montana's milk controls on the milk producers and consumers in the state.

The dairy industry of Montana is under the rigid control of the Montana Milk Control Board. This Board establishes producer and resale prices and enforces various fair trade policies related to the milk industry.

The actions of the MCB have been taken with the implicit intent of keeping the small producer and processor operating in Montana. The result of many years of such inhibiting factors on the state's dairy industry is very clear when it is realized that Montana's producers rank very low in productivity per dairy cow. And, as a result of this, need a substantial fluid milk price to offset their high cost of production.

The high producer milk prices established by the MCB is reflected in substantial fresh milk prices to the consumers of the state. It is also true that the milk regulations put forth by the MCB have prevented the citizens of the state in participating in normal milk marketing activities found in free markets. These marketing activities include being able to purchase milk at the store or milk drive-in at lower prices than home delivery and the opportunity of purchasing milk in larger containers at a lower per-quart equivalent price.

Contrary to one of the objectives of the MCB, namely, keeping the local, independent processor-distributor operating,

the processing and distribution of fluid milk is increasingly being handled by large, national dairies in the state of Montana (whether this is good or bad was not considered in this study).

The MCB by basing minimum resale prices on cost data supplied by small, independent dairies have forced increasingly higher milk prices on the consumers of Montana. This policy of the MCB has also given Beatrice Foods, Inc. a very generous margin to work with (and 55% of the Montana market).

This evidence supports the conclusion that the Milk Control Laws of Montana has not been beneficial to the producers, independent processors, and consumers of the state.

## Recommendations

The milk control laws in Montana are antiquated and can only bring additional burdens to the citizens of the state. Milk controls were advanced during the depression years to insure the citizens of Montana an adequate supply of pure and wholesome milk. Technological advances in the production and distribution of milk since then makes this hypothesis invalid. The marketing and distribution of milk in Montana bears little resemblance to the dairy market structure in the state thirty years ago. With this in mind, the following recommendations are made:

1. The resale price controls empowered to the Montana Milk Control Board should be repealed.

2. The antiquated method employed by the MCB in establishing minimum producer fluid milk prices should be abandoned, namely, the "reasonable" costs of a sample of a market's

producers. The MCB should expand every effort to develop an economic formula (which includes the prices for fluid milk that exist in other markets) for establishing minimum producer fluid milk prices. Thus, Montana fluid milk prices would become competitive with surrounding dairy markets.

3. The fair trade laws applicable to Montana's dairy industry should be strengthened. Demoralizing price competition; e.g., pricing of milk products below cost, should be associated with heavy penalties that can quickly be administered by the MCB without first going through the courts. Such actions by the MCB would be subject to review by the courts of the state.

The repeal of resale price controls in Montana is not going to leave its citizens at the mercy of the large, national dairies. In this enlightened age Americans are better informed and more knowledgeable concerning their role in the market place and will not allow themselves to be exploited by exorbitant milk prices. Nor is the federal government going to allow the citizens of any state to be without the benefit of fresh milk.

# BIBLIOGRAPHY

# BIBLIOGRAPHY

## A. PUBLICATIONS OF THE GOVERNMENT, LEARNED SOCIETIES, AND OTHER ORGANIZATIONS


Bartlett, Roland W. "Can the Use of Loss Leaders in the Store Distribution of Milk be Controlled?" Department of Agriculture, Economics Bulletin No. 3, University of Illinois, pp. 51-57, June, 1961.

Briggs, Edwin. "The Milk Control Act," Legal Barriers to Competition in Montana and Local Law, pp. 104-154. Prepared by the Bureau of Business and Economic Research, University of Montana, 1964.

Carley, Dale H. Long-Distance Shipment of Milk--Marketing Practices of Buyers and Sellers. Economic Research Service, United States Department of Agriculture. Washington: ERS 230, Government Printing Office. June, 1965.

Forest, H. L. Some Facts About Federal Milk Marketing Orders. Agricultural Marketing Service, United States Department of Agriculture. Washington: Government Printing Office, June 25, 1965.

State of Pennsylvania. Milk Price Control: 1963. A report of the Joint State Government Commission, Harrisburg, Pennsylvania.

United States Department of Agriculture, Agricultural Marketing Service: February, 1962. Volume VI, Number 24. Washington: Government Printing Office.

United States Department of Agriculture, Economic Research Service, No. 426-61 (8). Washington: Government Printing Office.

United States Department of Agriculture. Dairy Situation: July, 1965, No. 306. Washington: Government Printing Office.

United States Department of Agriculture. A Decade of Change in the Dairy Industry 1950-1960: Economic Research Service Number 44. Washington: Government Printing Office, November, 1961.

United States Department of Agriculture. Dairy Situation: September, 1965, No. 307. Washington: Government Printing Office.

United States Department of Agriculture. The Demand and Price Structure for Dairy Products. Technical Bulletin No. 1168. Washington: Government Printing Office. 1957.

United States Department of Agriculture. Governments Role in Pricing of Fluid Milk in the United States: Economic Research Service No. 239. Washington: Government Printing Office, May, 1965.

United States Department of Agriculture. Dairy Situation: May, 1965, Number 305. Washington: Government Printing Office.

United States Department of Agriculture, Dairy Statistics: 1960. Statistical Bulletin No. 303, Economic Research Service. Washington: Government Printing Office, February, 1962.

United States Department of Agriculture, Dairy Statistics: 1963-64. Supplement to Statistical Bulletin No. 303, Economic Research Service. Washington: Government Printing Office, 1965.

## B. PERIODICALS

Daniels, James. "How To Save Money On Milk," The Reader's Digest, March, 1967.

## C. NEWSPAPERS

The Billings Gazette, January 25, 1966.

The Billings Gazette, June 22, 1966.

The Phoenix Gazette, September 24, 1966.

## D. UNPUBLISHED MATERIALS

Brazier, Jeffery. "Legal Proglems in the Operation of State and Federal Control Programs." Proceedings, 25th Annual Dairy Industry Week, Montana State College, Part II, Milk Pricing, 1960. (Mimeographed.)

Clark, D. A. "Cost of Production, Processing, and Distribution As a Basis for Establishing Milk Prices Under Market Orders." Proceedings, 25th Annual Dairy Industry Week, Montana State College, Part II, Milk Pricing, 1960. (Mimeographed.)

Herrmann, Louis. "Trade Barriers in Fluid Milk Marketing." 25th Annual Dairy Industry Week, Montana State College, Bozeman, Montana. Part II, Milk Pricing, 1960. (Mimeographed.)

Montana Milk Control Board, Transcript of Testimony Before the Milk Control Board of the State of Montana: April 13, 14, and 15, 1966, Yellowstone County Courthouse, Billings, Montana.

Schuh, James D. "Getting the Most from Your Cow," Proceedings, 14th Annual Dairymen's Conference, Arizona State University Farm. The Business of Dairying, Tempe, Arizona, March 28, 1967.

# APPENDIXES

# APPENDIX A
# ANNUAL REPORT OF MONTANA MILK CONTROL BOARD ADMINISTRATIVE ACTIVITIES

## INCOME AND DISBURSEMENTS

| | | |
|---|---|---|
| **Income For Year Ending June 30, 1965** | | |
| Unencumbered Balance July 1, 1964 | | $ 18,202.66 |
| Administrative Assessments | $84,372.35 | |
| License Fees | 1,090.50 | |
| Total Income | | 103,665.51 |
| **Disbursements for Year Ending June 30, 1965** | | |
| General Fund 101 | 1,090.50 | |
| Unpaid encumbrances | 65.98 | |
| Administrative Expenditures | 80,022.88 | |
| Balance to 1965-1966 Funds | 22,486.15 | |
| Total Disbursements | | 103,665.51 |

---

Breakdown of Disbursements for Administration

| | |
|---|---|
| Salaries & Wages | $42,067.11 |
| Employee Benefits | 2,910.66 |
| Supplies and Materials | 2,487.11 |
| Communications | 1,774.60 |
| Travel | 9,109.40 |
| Contracted Services | 11,520.61 |
| Special Fees | 8,908.60 |
| Repair & Maintenance | 782.28 |
| Office Machinery | 462.51 |
| Total Administrative Disbursements | $80,022.88 |

## ADMINISTRATIVE ACTIVITIES

| | |
|---|---|
| Board Meetings | 12 |
| Official Orders Issued | 9 |
| Public Hearings Held | 11 |
| Producer Price Investigations (Months Audited) | 184 |
| Resale Price Investigations | 31 |
| Licenses Issued | 545 |
| Copies of Hearing Notices Mailed | 1,024 |
| Copies of Official Orders Mailed | 1,024 |
| Violations Reported | 22 |
| Violations Investigated | 22 |

## LEGAL PROCEEDINGS

| | |
|---|---|
| Declaratory Judgment Actions | 0 |
| Milk Distributor's Bond Actions | 0 |
| License Suspension Proceedings | 0 |
| Appeals From Official Orders | 1 |
| Enforcement Actions | 2 |
| Other | 1 |

## COMPLIANCE

| | |
|---|---|
| Distributors and Jobbers Reporting Receipts and Sales | 75 |
| Number of Producer Adjustments Made During Fiscal Period Through Usage Audits | 3,907 |

## GENERAL

| | |
|---|---|
| Number of Montana Distributors Licensed | 37 |
| Number of Out-of-State Distributors Licensed | 16 |
| Number of Jobbers Licensed | 15 |
| Number of Producer-Distributors Licensed | 16 |
| Number of Milk Producers Licensed | 461 |
| **TOTAL** | 545 |

# MILK UTILIZATION IN MONTANA

(January 1, 1964 through December 31, 1964)

| | | | |
|---|---|---|---|
| *Total Pounds of Grade "A" Milk Produced In Montana (Sold to Montana Processors) | | | 193,018,405 |
| Producer Milk Sold | | | |
| *Class I and II | 164,617,090 | 85.29% | |
| *Class III and IV | 28,401,315 | 14.71% | |
| *Total Pounds of Grade "A" Milk Imported From Out-of-State | | | 7,411,433 |
| Pounds Imported Milk Sold: | | | |
| *Class I and II | 7,012,825 | 94.62% | |
| *Class III and IV | 398,608 | 5.38% | |
| **Producer-Distributors (Processed and Sold) | | | |
| **Class I and II | 1,974,900 | | |
| Class III and IV | Not Available | | |
| TOTAL GRADE "A" (ALL SOURCES) | | | 202,404,738 |
| Total Class I and II Use (Fluid) | 173,604,815 | 85.77% | |
| Total Class III and IV Use (Mfg., etc.) | 28,799,923 | 14.23% | |
| | | | 202,404,738 |

*Figures verified by usage audit
**Reported figures

The above report is for licensed Grade "A" producers, processors, and producer-distributors. Import-jobber figures are included in the totals for milk imported from out-of-state.

# APPENDIX B

## STATE MILK CONTROLS AND PRODUCTION PER COW

| State | Average Annual Production Per Cow Pounds | Type of State Milk Regulations: Controls Producer & Resale Prices | Controls Producer Prices Only | Controls The Selling of Milk Below Cost Only |
|---|---|---|---|---|
| Mississippi | 4000 | X | | |
| Alabama | 4410 | X | | |
| Louisiana | 4520 | X | | |
| Arkansas | 4650 | | | X |
| Tennessee | 4780 | | | X |
| Georgia | 5260 | X | | |
| West Virginia | 5280 | X | | |
| South Carolina | 5540 | X | | |
| Kentucky | 5800 | | | X |
| Missouri | 6020 | | | X |
| Montana | 6070 | X | | |
| Texas | 6150 | | | |
| South Carolina | 6180 | | | |
| Virginia | 6420 | | | |
| North Carolina | | | X | |
| Kansas | 6480 | | | |
| Oklahoma | 6550 | | | |
| Nebraska | 6600 | | | |
| North Dakota | 6800 | | | |

| State | Average Annual Production Per Cow | Type of State Milk Regulations: Controls Producer & Resale Prices | Controls Producer Prices Only | Controls The Selling of Milk Below Cost Only |
|---|---|---|---|---|
| | Pounds | | | |
| Wyoming | 6910 | X | | |
| New Mexico | 7100 | | | |
| Oregon | 7310 | | X | |
| Maryland | 7520 | | | |
| Florida | 7580 | | X | |
| Delaware | 7700 | | | |
| Colorado | 7770 | | | X |
| Iowa | 7920 | | | |
| Idaho | 8200 | | | X |
| Vermont | 8380 | X | | |
| New Hampshire | 8450 | X | | |
| Utah | 8490 | | | |
| Pennsylvania | 8600 | X | | |
| Illinois | 8670 | | | |
| Minnesota | 8690 | | | X |
| Indiana | 8750 | | | |
| Wisconsin | 8930 | | | X |
| Nevada | 8950 | X | | |
| Ohio | 8980 | | | |
| Maine | 8980 | X | | |
| Washington | 9260 | | | |
| Michigan | 9280 | | | |
| Rhode Island | 9550 | | X | |

| State | Average Annual Production Per Cow Pounds | Type of State Milk Regulations: Controls Producer & Resale Prices | Controls Producer Prices Only | Controls The Selling of Milk Below Cost Only |
|---|---|---|---|---|
| New York | 9610 | | X | |
| Connecticut | 9610 | | | X |
| New Jersey | 9770 | | | |
| Massachusetts | 9770 | | X | |
| Arizona | 10170 | | | |
| California | 10810 | X | | |
| Totals | 339,640 | 15 | 6 | 9 |
| Average | 7,294 | | | |

Source: Data obtained from Dairy Statistics: Bulletin No. 303, 1964. United States Department of Agriculture.

# APPENDIX C

## LOWEST REPORTED WHOLESALE, HOME, AND STORE PRICES FOR THIRTY SEVEN MARKETS THAT CONTROL PRODUCER AND RESALE FLUID MILK PRICES, SEPTEMBER, 1965.

| MARKET | CLASS 1 PRICE | WHOLESALE QTS. | WHOLESALE ½ GAL. | WHOLESALE GAL. | HOME QTS. | HOME ½ GAL. | HOME GAL. | STORE QTS. | STORE ½GAL. | STORE GAL. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Dollars | | Cents | | | Cents | | | Cents | |
| Fresno | 5.06 | 23 | 44 | 90 | 27 | 54 | 105 | 24 | 48 | 96 |
| Reno | 5.22 | 23 | 47 | 94 | 28 | 55 | n/a | 27 | 54 | n/a |
| Sacramento | 5.23 | 22 | 43 | 83 | 28 | 51 | 98 | 24 | 47 | 94 |
| Los Angeles | 5.33 | 19 | 38 | 88 | 28 | 56 | 112 | 24 | 47 | 96 |
| Santa Barbara | 5.33 | 22 | 44 | 87 | 26 | 51 | 102 | 24 | 48 | 96 |
| Pittsburgh | 5.40 | 25 | 45 | 92 | 28 | 51 | 100 | 27 | 48 | 94 |
| Erie | 5.40 | 25 | 47 | 98 | 27 | 52 | 100 | 26 | 49 | 94 |
| San Francisco | 5.40 | 23 | 46 | 94 | 28 | 53 | 103 | 24 | 48 | 96 |
| San Diego | 5.43 | 23 | 45 | 89 | 26 | 52 | 104 | 25 | 49 | 98 |
| Butte | 5.50 | 23 | 45 | 90 | 26 | 51 | 96 | 26 | 51 | 96 |
| Great Falls | 5.50 | 23 | 45 | 90 | 26 | 51 | 100 | 26 | 51 | 100 |
| Gulf Port & Biloxi, Miss. | 5.64 | 24 | 48 | 94 | 28 | 55 | 110 | 27 | 53 | 106 |
| Scranton | 5.95 | 24 | 47 | 101 | 28 | 53 | 102 | 27 | 51 | 96 |
| Reading | 6.00 | 25 | 49 | 94 | 28 | 54 | 104 | 27 | 51 | 98 |
| Man.-Nashua,N.H. | 6.18 | 23 | 46 | n/a | 27 | 53 | 98 | 25 | 49 | 87 |
| Concord,N.H. | 6.18 | 23 | 45 | n/a | 28 | 54 | 96 | 26 | 49 | 87 |
| Aug.-Portland, Maine | 6.18 | 23 | 46 | 94 | 27 | 52 | 98 | 26 | 50 | 91 |
| Caribou,Pres-Quel,Maine | 6.18 | 25 | 48 | 100 | 27 | 53 | 101 | 27 | 53 | 97 |

| MARKET | CLASS 1 PRICE | WHOLESALE QTS. | WHOLESALE ½ GAL. | WHOLESALE GAL. | HOME QTS. | HOME ½ GAL. | HOME GAL. | STORE QTS. | STORE ½GAL. | STORE GAL. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Dollars | Cents | | | | Cents | | | Cents | |
| Johnston, Pa. | 6.20 | 24 | 48 | 106 | 27 | 53 | n/a | 26 | 51 | n/a |
| Harrisburg, Pa. | 6.23 | n/a | n/a | n/a | 27 | 54 | n/a | 26 | 52 | n/a |
| Birmingham | 6.31 | 25 | 49 | n/a | 27 | 54 | n/a | 27 | 54 | n/a |
| Montgomery | 6.31 | 26 | 50 | 96 | 28 | 55 | n/a | 28 | 55 | n/a |
| Mobile | 6.31 | 26 | 50 | n/a | 28 | 55 | n/a | 28 | 55 | n/a |
| Richmond, Va. | 6.35 | 26 | 52 | 104 | 28 | 57 | n/a | 27 | 54 | n/a |
| Norfolk & Pt. Smith,Va. | 6.35 | 25 | 51 | 96 | 28 | 55 | n/a | 28 | 55 | n/a |
| Roanoke, Va. | 6.35 | 26 | 52 | 100 | 28 | 56 | n/a | 28 | 55 | n/a |
| Savannah | 6.55 | 25 | 49 | 100 | 29 | 57 | 103 | 28 | 55 | 99 |
| Aug.-Col.-Macon, Ga. | 6.55 | 25 | 49 | 100 | 29 | 57 | 107 | 28 | 55 | 103 |
| Atlanta | 6.55 | 25 | 49 | 100 | 29 | 57 | 107 | 28 | 55 | 103 |
| Burlington, Vt. | n/a | 20 | 41 | 80 | 24 | 45 | n/a | 22 | 45 | n/a |
| Bellow Falls-Vt. | n/a | 21 | 41 | 80 | 24 | 45 | n/a | 23 | 45 | n/a |

Source: United States Department of Agriculture, "Fluid Milk and Cream Report," September, 1965, Da 1-3 (9-65).

Glass containers: Home quarts, half gallons, and gallons. Store gallons. All the remaining prices reflect products in paper containers.

Note: There are a very small number of cases where the above products are reported in oppostie containers.

# APPENDIX D

## LOWEST REPORTED WHOLESALE, HOME, AND STORE PRICES FOR TWENTY-THREE MARKETS WITH NO PRODUCER OF RESALE PRICE CONTROLS, SEPTEMBER, 1965.

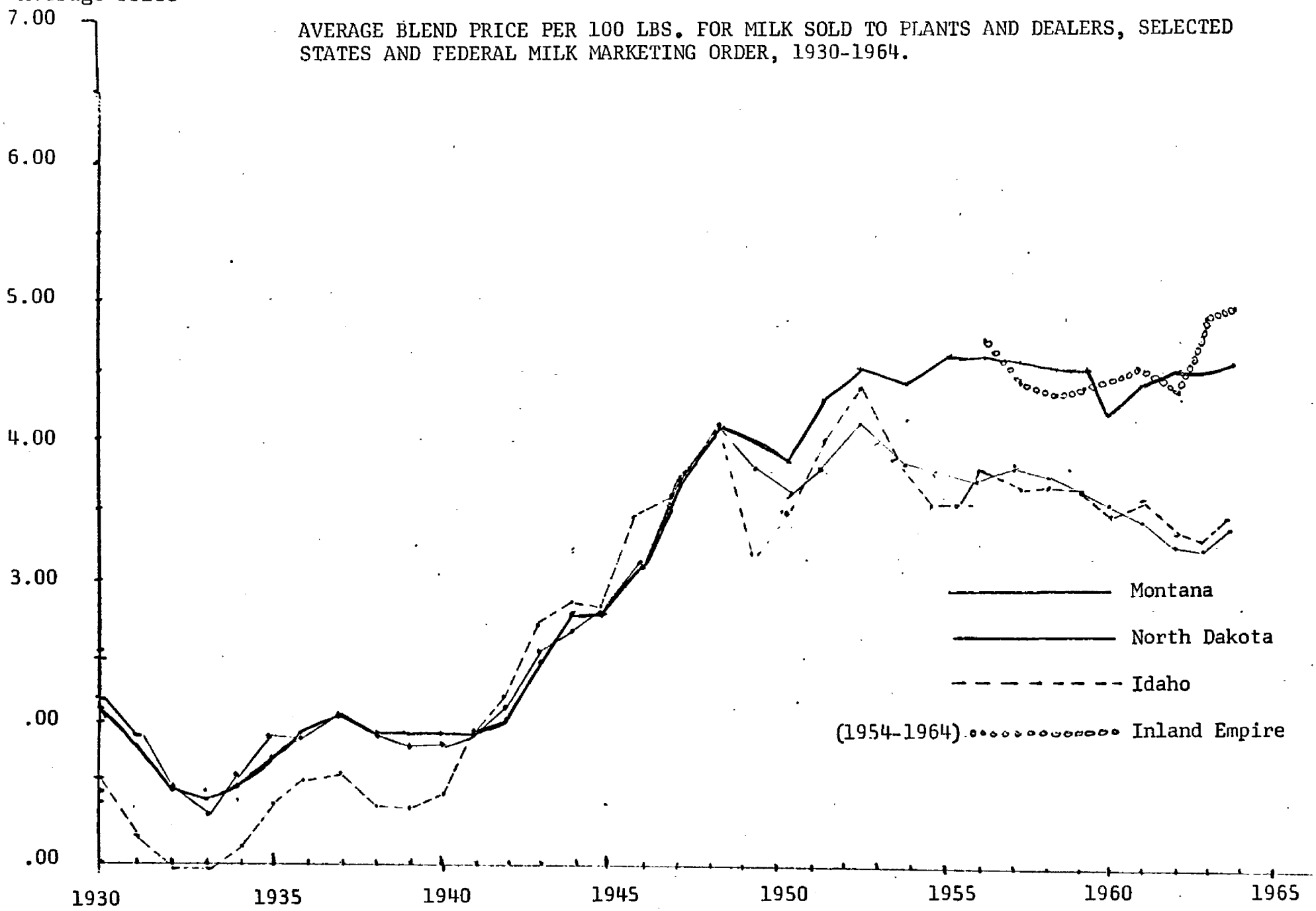
| MARKET | CLASS 1 PRICE | WHOLESALE QTS. | WHOLESALE ½ GAL. | WHOLESALE GAL. | HOME QTS. | HOME ½ GAL. | HOME GAL. | STORE QTS. | STORE ½ GAL. | STORE GAL. |
|---|---|---|---|---|---|---|---|---|---|---|
| Bemidji,Minn. | 3.60 | 17 | 34 | 68 | 21 | 39 | 77 | 21 | 41 | 77 |
| Winona, Minn. | 3.68 | 18 | 36 | 72 | 21 | 41 | n/a | 21 | 38 | n/a |
| Grand Forks,N.D. | 3.71 | n/a | 32 | n/a | 21 | 41 | n/a | 20 | 39 | n/a |
| Bismarck-Mandan, N.D. | 4.03 | n/a | n/a | n/a | 18 | 38 | n/a | 19 | 38 | n/a |
| Boise | 4.90 | 21 | 42 | 83 | 26 | 51 | 95 | 26 | 51 | n/a |
| Idaho Falls | 4.90 | 21 | 41 | 81 | 26 | 46 | 85 | 25 | 49 | 95 |
| Bremerton,Wash. | 5.30 | 25 | 49 | 103 | 29 | 56 | n/a | 27 | 51 | 95 |
| Galveston | 5.52 | 24 | 46 | 89 | 27 | 52 | 91 | 27 | 50 | 91 |
| Houston | 5.52 | 22 | 43 | 77 | 27 | 50 | 81 | 25 | 47 | 75 |
| Jacksonville | 6.00 | 27 | n/a | 105 | 30 | 57 | 99 | 29 | 58 | 99 |
| Tampa | 6.02 | 27 | 47 | 101 | 29 | 49 | 94 | 29 | 45 | 90 |
| Greenville,S.C. | 6.25 | n/a | n/a | 96 | 27 | 53 | n/a | 27 | 49 | n/a |
| Charleston | 6.25 | n/a | n/a | 94 | 28 | 55 | n/a | 28 | 49 | n/a |
| Columbia, S.C. | 6.25 | 25 | 49 | 96 | 27 | 53 | 106 | 27 | 53 | 106 |
| Asheville,N.C. | 6.40 | 26 | 51 | 94 | 28 | 55 | 104 | 28 | 55 | 110 |
| Winston-Salem | 6.40 | 25 | 49 | 94 | 28 | 55 | n/a | 27 | 53 | 105 |
| Durham,N.C. | 6.40 | 26 | 51 | 96 | 28 | 55 | 110 | 28 | 55 | 104 |
| Charlotte | 6.40 | 25 | 50 | 96 | 28 | 54 | 104 | 28 | 54 | 104 |
| Eau Claire | n/a | 18 | 35 | 76 | 23 | 44 | n/a | 22 | 42 | n/a |
| Burlington,Iowa | n/a | 20 | 37 | 72 | 25 | 43 | n/a | 25 | 39 | n/a |

| MARKET | CLASS 1 PRICE | WHOLESALE QTS. | WHOLESALE ½ GAL. | WHOLESALE GAL. | HOME QTS. | HOME ½ GAL. | HOME GAL. | STORE QTS. | STORE ½ GAL. | STORE GAL. |
|---|---|---|---|---|---|---|---|---|---|---|
| Cumberland,Md. | n/a | n/a | n/a | n/a | 28 | 43 | 81 | 28 | 52 | 89 |
| Springfield,Ill. | n/a | 22 | 43 | 86 | 24 | 42 | 73 | 25 | 39 | 69 |
| Peoria | n/a | 19 | 34 | 76 | 25 | 48 | 87 | 22 | 33 | 69 |

Source: United States Department of Agriculture, Fluid Milk and Cream Report," September, 1965, Da 1-3 (9-65).

# APPENDIX E

AVERAGE BLEND PRICE PER 100 LBS. FOR MILK SOLD TO PLANTS AND DEALERS, SELECTED STATES AND FEDERAL MILK MARKETING ORDER, 1930-1964.




Source: U.S. Department of Agriculture, Dairy Statistics Through 1960 and Supplement for 1963-64.

# APPENDIX F

## FORTRAN PROGRAM TO COMPUTE APPENDIX F PARTS I, II, III, IV, V, AND VI [a/]

```
 20 FORMAT (16X, 32HDISTRIBUTORS AND GROCERS MARGINS)
 30 FORMAT (14X35HAND FARM VALUE FOR HALF GALLON MILK//)
400 FORMAT (24X49HDIST     FARM     GROSS     GROC    CLASS 1   DIST MAR)
500 FORMAT (24X49HMAR      VALUE    CENTS      MAR      PRICE      CENTS//)
    TYPE 20
    TYPE 30
    TYPE 400
    TYPE 500
    K=165
    N=K
    HGRMC = 0.0
    I=0
    DO 60 I=1,N
 80 FORMAT (4A4, 1A1, F5.2, 5XF5.1, 11XF5.1, 11XF5.1)
160 READ 80, A,B,C,D,E,  CLASS 1, HGW,HGH,HGS
100 IF ( HGS-HGW)  180, 180, 250
250 IF (CLASS 1-000.0) 120,180,120
120 IF (HGW-000.0)  130,180,130
130 IF (HGH-000.0)  140,180,140
140 IF (HGS-00.0) 150,180,150
150 HGRMC = CLASS 1/.2365
    DM=HGW -HGRMC
    DMH=HGH-HGRMC
    FV=HGRMC
    GM=HGS-HGW
    GMP = GM/HGW
    PUNCH 70, A, B, C, D, E, DM, FV, GM, GMP, CLASS 1, DMH
 70 FORMAT (5A4,2XF5.1,4XF5.1,4XF5.1,4XF5.3,4XF5.2,4XF5.1)
180 GO TO 160
 60 CONTINUE
    END
```

---

a/ This program will compute input data found in the United States Department of Agriculture's Fluid Milk and Cream Report and output a report that will show the following for a number of markets:

1. Distributor margin in cents on half-gallon containers of milk sold to stores.
2. The farm value in cents that the dairy farmer receives on each half-gallon of milk sold to stores in his market.

3. The stores gross margin in cents on half-gallon milk sales.
4. The stores gross margin as a percentage of cost.
5. The Class I price of milk for each market.
6. Distributor margin in cents on half-gallon containers of milk sold to homes.

Each of the six categories have been sorted in ascending order and each market has an identification to indicate whether it is (F) Federal Marketing Order, (S) a market in which the state controls producer and realse prices, (blank), a market with no price controls, (P) a market in which the state controls producer prices only, and (G) markets in which the computations were done using the price of half-gallon glass.

APPENDIX F (Continued) PART I

CLASS I PRICE IN ASCENDING ORDER

| | | Dist. Margin (Store) Cents | Farm Value Cents | Store Gross Cents | Store Margin % | Class I Price Dollars | Dist. Margin (Retail) Cents |
|---|---|---|---|---|---|---|---|
| FARGO-MRHEAD ND | F | 20.0 | 14.9 | 7.0 | .200 | 3.53 | 28.0 |
| BEMIDJI MINN | G | 18.7 | 15.2 | 7.0 | .205 | 3.60 | 23.7 |
| WINONA | G | 20.4 | 15.5 | 2.0 | .055 | 3.68 | 25.4 |
| GRAND FORKS ND | G | 16.3 | 15.6 | 7.0 | .218 | 3.71 | 25.3 |
| GREEN BAY WISC | F | 20.1 | 16.8 | 4.5 | .121 | 3.99 | 27.1 |
| MINN. MINN | F | 10.8 | 17.6 | 7.0 | .245 | 4.18 | 25.3 |
| ST. PAUL MINN | F | 10.8 | 17.6 | 6.0 | .210 | 4.18 | 23.3 |
| MADISON WISC | F | 18.7 | 17.7 | 3.0 | .082 | 4.20 | 28.2 |
| BELOIT WISC | F | 13.1 | 17.8 | 11.0 | .354 | 4.21 | 28.1 |
| FT. DODGE IOWA | F | 19.9 | 18.0 | 8.0 | .210 | 4.26 | 28.9 |
| ROCK ISLAND ILL | F | 17.3 | 18.6 | 9.0 | .250 | 4.41 | 28.3 |
| DULUTH MINN | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| SUPERIOR WISC | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| SPRINGFLD MO | F | 22.3 | 18.6 | 8.0 | .195 | 4.42 | 32.3 |
| DES MOINES IOWA | F | 22.1 | 18.8 | 7.0 | .170 | 4.46 | 28.1 |
| FORT WAYNE IND | F | 15.8 | 19.1 | 1.0 | .028 | 4.53 | 23.8 |
| SIOUX FALLS SD | F | 20.7 | 19.2 | 3.0 | .075 | 4.55 | 25.7 |
| MARQUETTE MICH | F | 18.4 | 19.5 | 4.0 | .105 | 4.62 | 23.4 |
| KANSAS CITY MO | F | 12.8 | 19.6 | 10.5 | .323 | 4.65 | 30.3 |
| KANSAS CITY KAN | F | 13.8 | 19.6 | 9.5 | .283 | 4.65 | 30.3 |
| LINCOLN NEB | F | 15.3 | 19.6 | 8.0 | .228 | 4.65 | 25.3 |

PART I (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| OMAHA NEB | F | 20.3 | 19.6 | 6.0 | .150 | 4.65 | 28.3 |
| ST LOUIS MO | F | 13.1 | 19.8 | 10.5 | .318 | 4.69 | 29.1 |
| PADUCAH KY | F | 15.6 | 19.8 | 6.5 | .183 | 4.70 | 24.1 |
| WICHITA KAN | F | 21.7 | 20.2 | 4.5 | .107 | 4.78 | 27.7 |
| LOUISVILLE KY | F | 17.6 | 20.3 | 7.0 | .184 | 4.81 | 28.6 |
| LEXINGTON KY | F | 19.6 | 20.3 | 6.0 | .150 | 4.81 | 21.6 |
| IDAHO FLS IDAHO | G | 20.7 | 20.7 | 7.5 | .180 | 4.90 | 25.2 |
| BOISE IDAHO | G | 21.5 | 20.7 | 8.7 | .205 | 4.90 | 30.2 |
| TULSA OK | F | 24.9 | 21.0 | 3.0 | .065 | 4.99 | 30.9 |
| BATTLE CREEK MIH | F | 15.7 | 21.2 | 3.0 | .081 | 5.03 | 22.7 |
| WHEELING W VA | F | 20.7 | 21.2 | 5.0 | .119 | 5.03 | 27.7 |
| FRESNO CALIF | S | 23.1 | 21.3 | 3.5 | .078 | 5.06 | 32.6 |
| SALT LAKE CITY U | F | 19.8 | 21.6 | 7.5 | .180 | 5.11 | 25.3 |
| SPOKANE WASH | F | 26.2 | 21.7 | 6.0 | .125 | 5.15 | 34.2 |
| SEATTLE WASH | F | 21.0 | 21.9 | 1.0 | .023 | 5.20 | 22.0 |
| RENO NEV | S | 24.9 | 22.0 | 7.0 | .148 | 5.22 | 32.9 |
| SACRAMNTO CALIF | S | 20.8 | 22.1 | 4.0 | .093 | 5.23 | 28.8 |
| OKLAHOMA CITY OK | F | 22.8 | 22.1 | 6.0 | .133 | 5.25 | 30.8 |
| CHARLSTON W VA | F | 25.8 | 22.1 | 6.0 | .125 | 5.23 | 35.8 |
| CHEYENNE WYO | | 19.6 | 22.3 | 7.0 | .166 | 5.28 | 26.6 |
| BREMERTON WASH | G | 26.5 | 22.4 | 2.0 | .040 | 5.30 | 33.5 |
| L ANGELES CALIF | S | 15.9 | 22.5 | 8.5 | .220 | 5.33 | 33.4 |
| SNTA BARBARA CAL | S | 21.9 | 22.5 | 3.5 | .078 | 5.33 | 28.4 |
| NASHVILLE TENN | F | 15.3 | 22.6 | 3.0 | .078 | 5.35 | 22.3 |
| DENVER COLO | F | 16.3 | 22.6 | 6.0 | .153 | 5.35 | 25.3 |

PART I (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| COLO SPRGS COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| COLUMBUS MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| GREENWOOD MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| PUEBLO COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| PITTSBURGH PA | S | 22.6 | 22.8 | 3.0 | .065 | 5.40 | 28.1 |
| SAN FRAN CALIF | S | 23.1 | 22.8 | 2.0 | .043 | 5.40 | 30.1 |
| PORTLAND ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| SALEM ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| ERIE PENN | S | 24.6 | 22.8 | 1.5 | .031 | 5.40 | 29.1 |
| MEDFORD ORE | P | 26.1 | 22.8 | 4.0 | .081 | 5.40 | 32.1 |
| SAN DIEGO CALIF | S | 22.0 | 22.9 | 4.0 | .088 | 5.43 | 29.0 |
| ALBUQUERQUE NM | F | 25.0 | 22.9 | 1.0 | .020 | 5.42 | 28.0 |
| LITTLE ROCK ARK | F | 20.9 | 23.0 | 6.0 | .136 | 5.45 | 28.9 |
| CHATTQNOOGA TENN | F | 14.7 | 23.2 | 5.0 | .131 | 5.50 | 23.7 |
| FT. SMITH ARK | F | 16.7 | 23.2 | 5.0 | .125 | 5.49 | 21.7 |
| BUTTE MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| GREAT FALLS MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| JACKSON MISS | F | 23.7 | 23.2 | 5.0 | .106 | 5.50 | 30.7 |
| HOUSTON TEXAS | G | 19.6 | 23.3 | 4.0 | .093 | 5.52 | 26.6 |
| GALVESTON TEXAS | G | 23.1 | 23.3 | 3.5 | .075 | 5.52 | 28.6 |
| AUSTIN TEXAS | F | 25.4 | 23.5 | 2.0 | .040 | 5.56 | 29.4 |
| BINGHAMTON N.Y. | F | 18.1 | 23.8 | 1.0 | .023 | 5.63 | 31.1 |
| GULFPT-BILXI MIS | S | 24.1 | 23.8 | 5.0 | .104 | 5.64 | 31.1 |
| ALBANY N.Y. | F | 14.6 | 24.3 | 4.0 | .102 | 5.75 | 24.6 |
| TUCSON ARIZ | F | 17.2 | 24.7 | 9.0 | .214 | 5.85 | 28.2 |

PART I (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| SCANTON PA | S | 22.3 | 25.1 | 3.5 | .073 | 5.95 | 27.8 |
| ATLANTIC CITY NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| CAMDEN NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| TRENTON NJ | F | 18.6 | 25.3 | 4.0 | .090 | 6.00 | 28.6 |
| WILMINGTON DEL | F | 19.6 | 25.3 | 1.0 | .022 | 6.00 | 22.6 |
| ROCHESTER N.Y. | P | 21.6 | 25.3 | 4.0 | .085 | 6.00 | 34.6 |
| READING PA | S | 23.6 | 25.3 | 2.0 | .040 | 6.00 | 28.6 |
| BOSTON MASS. | F | 12.8 | 26.1 | 7.0 | .179 | 6.18 | 24.8 |
| SPRINGFLD.MASS | F | 15.8 | 26.1 | 5.0 | .119 | 6.18 | 26.8 |
| RHODE ISLAND | F | 16.8 | 26.1 | 2.0 | .046 | 6.18 | 27.8 |
| LOWELL-LAW.MASS | F | 17.8 | 26.1 | 5.0 | .113 | 6.18 | 26.8 |
| NEW BEDFORD MASS | F | 17.8 | 26.1 | 3.0 | .068 | 6.18 | 20.8 |
| WORCHESTER MASS | F | 17.8 | 26.1 | 2.0 | .045 | 6.18 | 24.8 |
| CONCORD NEW H. | S | 18.8 | 26.1 | 4.0 | .088 | 6.18 | 27.8 |
| AUG.-PORT.MAIN | S | 19.8 | 26.1 | 4.0 | .086 | 6.18 | 25.8 |
| MAN.-NASHUA P.NH | S | 19.8 | 26.1 | 3.0 | .065 | 6.18 | 26.8 |
| NEW HAVEN CONN. | F | 21.3 | 26.1 | 4.5 | .094 | 6.18 | 32.8 |
| CAR.-PRE.MAIN | S | 22.3 | 26.1 | 4.5 | .092 | 6.18 | 27.3 |
| JOHNSTON PA | S | 22.2 | 26.2 | 2.5 | .051 | 6.20 | 26.7 |
| MIAMI FLA | F | 22.6 | 26.3 | 12.0 | .244 | 6.22 | 32.6 |
| NEW ORLEANS LA | F | 22.6 | 26.3 | 4.0 | .081 | 6.22 | 28.6 |
| BATON ROUGE LA | P | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| SHREVEPT LA | F | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| COLUMBIA SC | G | 22.5 | 26.4 | 4.0 | .081 | 6.25 | 26.5 |
| BIRMINGHAM ALA | S | 22.8 | 26.6 | 4.5 | .090 | 6.31 | 27.3 |

PART I (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| MOBILE ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| MONTGOMERY ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| NRFLK-PTS S VA | S | 24.1 | 26.8 | 4.0 | .078 | 6.35 | 28.1 |
| RICHMOND VA | S | 25.1 | 26.8 | 2.5 | .048 | 6.35 | 30.1 |
| ROANOLE VA | S | 25.1 | 26.8 | 3.0 | .057 | 6.35 | 29.1 |
| WINSTON-SALEM NC | G | 21.9 | 27.0 | 4.0 | .081 | 6.40 | 27.9 |
| CHARLOTTE NC | G | 22.9 | 27.0 | 4.0 | .080 | 6.40 | 26.9 |
| ASHEVILLE NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| DURHAM NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| ATLANTA GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| AUG.COL.MAV.GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| SAVANNAH GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |

APPENDIX F (Continued)

PART II

DISTRIBUTORS' RETAIL MARGIN IN ASCENDING ORDER

| | | | | | | | Dist. Margin (Retail) Cents |
|---|---|---|---|---|---|---|---|
| NEW BEDFORD MASS | F | 17.8 | 26.1 | 3.0 | .068 | 6.18 | 20.8 |
| LEXINGTON KY | F | 19.6 | 20.3 | 6.0 | .150 | 4.81 | 21.6 |
| FT. SMITH ARK | F | 16.7 | 23.2 | 5.0 | .125 | 5.49 | 21.7 |
| SEATTLE WASH | F | 21.0 | 21.9 | 1.0 | .023 | 5.20 | 22.0 |
| NASHVILLE TENN | F | 15.3 | 22.6 | 3.0 | .078 | 5.35 | 22.3 |
| WILMINGTON DEL | F | 19.6 | 25.3 | 1.0 | .022 | 6.00 | 22.6 |
| BATTLE CREEK MIH | F | 15.7 | 21.2 | 3.0 | .081 | 5.03 | 22.7 |
| ST PAUL MINN | F | 10.8 | 17.6 | 6.0 | .210 | 4.18 | 23.3 |
| MARQUETTE MICH | F | 18.4 | 19.5 | 4.0 | .105 | 4.62 | 23.4 |
| BEMIDJI MINN | G | 18.7 | 15.2 | 7.0 | .205 | 3.60 | 23.7 |
| CHATTANOOGA TENN | F | 14.7 | 23.2 | 5.0 | .131 | 5.50 | 23.7 |
| FORT WAYNE IND | F | 15.8 | 19.1 | 1.0 | .028 | 4.53 | 23.8 |
| PADUCAH KY | F | 15.6 | 19.8 | 6.5 | .183 | 4.70 | 24.1 |
| ALBANY N.Y. | F | 14.6 | 24.3 | 4.0 | .102 | 5.75 | 24.6 |
| WORCHESTER MASS | F | 17.8 | 26.1 | 2.0 | .045 | 6.18 | 24.8 |
| BOSTON MASS. | F | 12.8 | 26.1 | 7.0 | .179 | 6.18 | 24.8 |
| IDAHO FLS IDAHO | G | 20.7 | 20.7 | 7.5 | .180 | 4.90 | 25.2 |
| GRAND FORKS ND | G | 16.3 | 15.6 | 7.0 | .218 | 3.71 | 25.3 |
| MINN. MINN | F | 10.8 | 17.6 | 7.0 | .245 | 4.18 | 25.3 |
| LINCOLN NEB | F | 15.3 | 19.6 | 8.0 | .228 | 4.65 | 25.3 |

PART II (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| SALT LAKE CITY U | F | 19.8 | 21.6 | 7.5 | .180 | 5.11 | 25.3 |
| DENVER COLO | F | 16.3 | 22.6 | 6.0 | .153 | 5.35 | 25.3 |
| WINONA | G | 20.4 | 15.5 | 2.0 | .055 | 3.68 | 25.4 |
| SIOUX FALLS SD | F | 20.7 | 19.2 | 3.0 | .075 | 4.55 | 25.7 |
| AUG.-PORT.MAIN | S | 19.8 | 26.1 | 4.0 | .086 | 6.18 | 25.8 |
| COLUMBIA SC | G | 22.5 | 26.4 | 4.0 | .081 | 6.25 | 26.5 |
| CHEYENNE WYO | | 19.6 | 22.3 | 7.0 | .166 | 5.28 | 26.6 |
| HOUSTON TEXAS | G | 19.6 | 23.3 | 4.0 | .093 | 5.52 | 26.6 |
| ATLANTIC CITY NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| CAMDEN NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| JOHNSTON PA | S | 22.2 | 26.2 | 2.5 | .051 | 6.20 | 26.7 |
| MAN.-NASHUA P.NH | S | 19.8 | 26.1 | 3.0 | .065 | 6.18 | 26.8 |
| LOWELL-LAW.MASS | F | 17.8 | 26.1 | 5.0 | .113 | 6.18 | 26.8 |
| SPRINGFLD.MASS | F | 15.8 | 26.1 | 5.0 | .119 | 6.18 | 26.8 |
| CHARLOTTE NC | G | 22.9 | 27.0 | 4.0 | .080 | 6.40 | 26.9 |
| GREEN BAY WISC | F | 20.1 | 16.8 | 4.5 | .121 | 3.99 | 27.1 |
| CAR.-PRE. MAIN | S | 22.3 | 26.1 | 4.5 | .092 | 6.18 | 27.3 |
| BIRMINGHAM ALA | S | 22.8 | 26.6 | 4.5 | .090 | 6.31 | 27.3 |
| WICHITA KAN | F | 21.7 | 20.2 | 4.5 | .107 | 4.78 | 27.7 |
| WHEELING W VA | F | 20.7 | 21.2 | 5.0 | .119 | 5.03 | 27.7 |
| BUTTE MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| GREAT FALLS MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| SCANTON PA | S | 22.3 | 25.1 | 3.5 | .073 | 5.95 | 27.8 |
| RHODE ISLAND | F | 16.8 | 26.1 | 2.0 | .046 | 6.18 | 27.8 |
| CONCORD NEW H | S | 18.8 | 26.1 | 4.0 | .088 | 6.18 | 27.8 |

PART II (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ASHEVILLE NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| DURHAM NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| WINSTON-SALEM NC | G | 21.9 | 27.0 | 4.0 | .081 | 6.40 | 27.9 |
| FARGO-MRHEAD ND | F | 20.0 | 14.9 | 7.0 | .200 | 3.53 | 28.0 |
| ALBUQUERQUE NM | F | 25.0 | 22.9 | 1.0 | .020 | 5.42 | 28.0 |
| BELOIT WISC | F | 13.1 | 17.8 | 11.0 | .354 | 4.21 | 28.1 |
| DES MOINES IOWA | F | 22.1 | 18.8 | 7.0 | .170 | 4.46 | 28.1 |
| PITTSBURGH PA | S | 22.6 | 22.8 | 3.0 | .065 | 5.40 | 28.1 |
| NRFLK-PTS S VA | S | 24.1 | 26.8 | 4.0 | .078 | 6.35 | 28.1 |
| MADISON WISC | F | 18.7 | 17.7 | 3.0 | .082 | 4.20 | 28.2 |
| TUCSON ARIZ | F | 17.2 | 24.7 | 9.0 | .214 | 5.85 | 28.2 |
| DULUTH MINN | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| SUPERIOR WISC | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| ROCK ISLAND ILL | F | 17.3 | 18.6 | 9.0 | .250 | 4.41 | 28.3 |
| OMAHA NEB | F | 20.3 | 19.6 | 6.0 | .150 | 4.65 | 28.3 |
| COLO SPRGS COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| PUEBLO COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| MOBILE ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| MONTGOMERY ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| SNTA BARBARA CAL | S | 21.9 | 22.5 | 3.5 | .078 | 5.33 | 28.4 |
| LOUISVILLE KY | F | 17.6 | 20.3 | 7.0 | .184 | 4.81 | 28.6 |
| GALVESTON TEXAS | G | 23.1 | 23.3 | 3.5 | .075 | 5.52 | 28.6 |
| READING PA | S | 23.6 | 25.3 | 2.0 | .040 | 6.00 | 28.6 |
| TRENTON NJ | F | 18.6 | 25.3 | 4.0 | .090 | 6.00 | 28.6 |
| BATON ROUGE LA | P | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |

PART II (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| SHREVEPT LA | F | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| NEW ORLEANS LA | F | 22.6 | 26.3 | 4.0 | .081 | 6.22 | 28.6 |
| SACRAMNTO CALIF | S | 20.8 | 22.1 | 4.0 | .093 | 5.23 | 28.8 |
| FT. DODGE IOWA | F | 19.9 | 18.0 | 8.0 | .210 | 4.26 | 28.9 |
| LITTLE ROCK ARK | F | 20.9 | 23.0 | 6.0 | .136 | 5.45 | 28.9 |
| SAN DIEGO CALIF | S | 22.0 | 22.9 | 4.0 | .088 | 5.43 | 29.0 |
| ST LOUIS MO | F | 13.1 | 19.8 | 10.5 | .318 | 4.69 | 29.1 |
| ERIE PENN | S | 24.6 | 22.8 | 1.5 | .031 | 5.40 | 29.1 |
| ROANOLE VA | S | 25.1 | 26.8 | 3.0 | .057 | 6.35 | 29.1 |
| ATLANTA GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| AUG.COL.MAV.GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| SAVANNAH GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| AUSTIN TEXAS | F | 25.4 | 23.5 | 2.0 | .040 | 5.56 | 29.4 |
| SAN FRAN CALIF | S | 23.1 | 22.8 | 2.0 | .043 | 5.40 | 30.1 |
| RICHMOND VA | S | 25.1 | 26.8 | 2.5 | .048 | 6.35 | 30.1 |
| BOISE IDAHO | G | 21.5 | 20.7 | 8.7 | .205 | 4.90 | 30.2 |
| KANSAS CITY KAN | F | 13.8 | 19.6 | 9.5 | .283 | 4.65 | 30.3 |
| KANSAS CITY MO | F | 12.8 | 19.6 | 10.5 | .323 | 4.65 | 30.3 |
| COLUMBUS MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| GREENWOOD MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| JACKSON MISS | F | 23.7 | 23.2 | 5.0 | .106 | 5.50 | 30.7 |
| OKLAHOMA CITY OK | F | 22.8 | 22.1 | 6.0 | .133 | 5.25 | 30.8 |
| TULSA OK | F | 24.9 | 21.0 | 3.0 | .065 | 4.99 | 30.9 |
| BINGHAMTON N.Y. | F | 18.1 | 23.8 | 1.0 | .023 | 5.63 | 31.1 |
| GULFPT-BILXI MIS | S | 24.1 | 23.8 | 5.0 | .104 | 5.64 | 31.1 |

PART II (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| MEDFORD ORE | P | 26.1 | 22.8 | 4.0 | .081 | 5.40 | 32.1 |
| SPRINGFLD MO | F | 22.3 | 18.6 | 8.0 | .195 | 4.42 | 32.3 |
| FRESNO CALIF | S | 23.1 | 21.3 | 3.5 | .078 | 5.06 | 32.6 |
| MIAMI FLA | F | 22.6 | 26.3 | 12.0 | .244 | 6.22 | 32.6 |
| NEW HAVEN CONN. | F | 21.3 | 26.1 | 4.5 | .094 | 6.18 | 32.8 |
| RENO NEV | S | 24.9 | 22.0 | 7.0 | .148 | 5.22 | 32.9 |
| PORTLAND ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| SALEM ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| L ANGELES CALIF | S | 15.9 | 22.5 | 8.5 | .220 | 5.33 | 33.4 |
| BREMERTON WASH | G | 26.5 | 22.4 | 2.0 | .040 | 5.30 | 33.5 |
| SPOKANE WASH | F | 26.2 | 21.7 | 6.0 | .125 | 5.15 | 34.2 |
| ROCHESTER N.Y. | P | 21.6 | 25.3 | 4.0 | .085 | 6.00 | 34.6 |
| CHARLSTON W. VA | F | 25.8 | 22.1 | 6.0 | .125 | 5.23 | 35.8 |

APPENDIX F (Continued)

PART III

DISTRIBUTORS' STORE MARGIN IN ASCENDING ORDER

| | | Dist. Margin (Store) Cents | | | | | |
|---|---|---|---|---|---|---|---|
| MINN. MINN | F | 10.8 | 17.6 | 7.0 | .245 | 4.18 | 25.3 |
| ST PAUL MINN | F | 10.8 | 17.6 | 6.0 | .210 | 4.18 | 23.3 |
| BOSTON MASS. | F | 12.8 | 26.1 | 7.0 | .179 | 6.18 | 24.8 |
| KANSAS CITY MO | F | 12.8 | 19.6 | 10.5 | .323 | 4.65 | 30.3 |
| BELOIT WISC | F | 13.1 | 17.8 | 11.0 | .354 | 4.21 | 28.1 |
| ST. LOUIS MO | F | 13.1 | 19.8 | 10.5 | .318 | 4.69 | 29.1 |
| KANSAS CITY KAN | F | 13.8 | 19.6 | 9.5 | .283 | 4.65 | 30.3 |
| ALBANY N. Y. | F | 14.6 | 24.3 | 4.0 | .102 | 5.75 | 24.6 |
| CHATTANOOGA TENN | F | 14.7 | 23.2 | 5.0 | .131 | 5.50 | 23.7 |
| LINCOLN NEB | F | 15.3 | 19.6 | 8.0 | .228 | 4.65 | 25.3 |
| NASHVILLE TENN | F | 15.3 | 22.6 | 3.0 | .078 | 5.35 | 22.3 |
| PADUCAH KY | F | 15.6 | 19.8 | 6.5 | .183 | 4.70 | 24.1 |
| BATTLE CREEK MIH | F | 15.7 | 21.2 | 3.0 | .081 | 5.03 | 22.7 |
| FORT WAYNE IND | F | 15.8 | 19.1 | 1.0 | .028 | 4.53 | 23.8 |
| SPRINGFLD.MASS | F | 15.8 | 26.1 | 5.0 | .119 | 6.18 | 26.8 |
| L ANGELES CALIF | S | 15.9 | 22.5 | 8.5 | .220 | 5.33 | 33.4 |
| DENVER COLO | F | 16.3 | 22.6 | 6.0 | .153 | 5.35 | 25.3 |
| GRAND FORKS ND | G | 16.3 | 15.6 | 7.0 | .218 | 3.71 | 25.3 |
| FT. SMITH ARK | F | 16.7 | 23.2 | 5.0 | .125 | 5.49 | 21.7 |
| RHODE ISLAND | F | 16.8 | 26.1 | 2.0 | .046 | 6.18 | 27.8 |

PART III (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| TUCSON ARIZ | F | 17.2 | 24.7 | 9.0 | .214 | 5.85 | 28.2 |
| ROCK ISLAND ILL | F | 17.3 | 18.6 | 9.0 | .250 | 4.41 | 28.3 |
| ATLANTIC CITY NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| CAMDEN NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| LOUISVILLE KY | F | 17.6 | 20.3 | 7.0 | .184 | 4.81 | 28.6 |
| LOWELL-LAW.MASS | F | 17.8 | 26.1 | 5.0 | .113 | 6.18 | 26.8 |
| NEW BEDFORD MASS | F | 17.8 | 26.1 | 3.0 | .068 | 6.18 | 20.8 |
| WORCHESTER MASS | F | 17.8 | 26.1 | 2.0 | .045 | 6.18 | 24.8 |
| BINGHAMTON N.Y. | F | 18.1 | 23.8 | 1.0 | .023 | 5.63 | 31.1 |
| MARQUETTE MICH | F | 18.4 | 19.5 | 4.0 | .105 | 4.62 | 23.4 |
| TRENTON NJ | F | 18.6 | 25.3 | 4.0 | .090 | 6.00 | 28.6 |
| BEMIDJI MINN | G | 18.7 | 15.2 | 7.0 | .205 | 3.60 | 23.7 |
| MADISON WISC | F | 18.7 | 17.7 | 3.0 | .082 | 4.20 | 28.2 |
| CONCORD NEW H. | S | 18.8 | 26.1 | 4.0 | .088 | 6.18 | 27.8 |
| CHEYENNE WYO | | 19.6 | 22.3 | 7.0 | .166 | 5.28 | 26.6 |
| HOUSTON TEXAS | G | 19.6 | 23.3 | 4.0 | .093 | 5.52 | 26.6 |
| LEXINGTON KY | F | 19.6 | 20.3 | 6.0 | .150 | 4.81 | 21.6 |
| WILMINGTON DEL | F | 19.6 | 25.3 | 1.0 | .022 | 6.00 | 22.6 |
| AUG.-PORT.MAIN | S | 19.8 | 26.1 | 4.0 | .086 | 6.18 | 25.8 |
| MAN.-NASHUA P.NH | S | 19.8 | 26.1 | 3.0 | .065 | 6.18 | 26.8 |
| SALT LAKE CITY U | F | 19.8 | 21.6 | 7.5 | .180 | 5.11 | 25.3 |
| FT. DODGE IOWA | F | 19.9 | 18.0 | 8.0 | .210 | 4.26 | 28.9 |
| FARGO-MRHEAD ND | F | 20.0 | 14.9 | 7.0 | .200 | 3.53 | 28.0 |
| GREEN BAY WISC | F | 20.1 | 16.8 | 4.5 | .121 | 3.99 | 27.1 |
| DULUTH MINN | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |

PART III (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| OMAHA NEB | F | 20.3 | 19.6 | 6.0 | .150 | 4.65 | 28.3 |
| SUPERIOR WISC | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| WINONA | G | 20.4 | 15.5 | 2.0 | .055 | 3.68 | 25.4 |
| IDAHO FLS IDAHO | G | 20.7 | 20.7 | 7.5 | .180 | 4.90 | 25.2 |
| SIOUX FALLS SD | F | 20.7 | 19.2 | 3.0 | .075 | 4.55 | 25.7 |
| WHEELING W VA | F | 20.7 | 21.2 | 5.0 | .119 | 5.03 | 27.7 |
| SACRAMNTO CALIF | S | 20.8 | 22.1 | 4.0 | .093 | 5.23 | 28.8 |
| LITTLE ROCK ARK | F | 20.9 | 23.0 | 6.0 | .136 | 5.45 | 28.9 |
| SEATTLE WASH | F | 21.0 | 21.9 | 1.0 | .023 | 5.20 | 22.0 |
| ATLANTA GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| AUG.COL.MAV.GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| NEW HAVEN CONN. | F | 21.3 | 26.1 | 4.5 | .094 | 6.18 | 32.8 |
| SAVANNAH GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| BOISE IDAHO | G | 21.5 | 20.7 | 8.7 | .205 | 4.90 | 30.2 |
| ROCHESTER N.Y. | P | 21.6 | 25.3 | 4.0 | .085 | 6.00 | 34.6 |
| BUTTE MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| GREAT FALLS MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| WICHITA KAN | F | 21.7 | 20.2 | 4.5 | .107 | 4.78 | 27.7 |
| SNTA BARBARA CAL | S | 21.9 | 22.5 | 3.5 | .078 | 5.33 | 28.4 |
| WINSTON-SALEM NC | G | 21.9 | 27.0 | 4.0 | .081 | 6.40 | 27.9 |
| SAN DIEGO CALIF | S | 22.0 | 22.9 | 4.0 | .088 | 5.43 | 29.0 |
| DES MOINES IOWA | F | 22.1 | 18.8 | 7.0 | .170 | 4.46 | 28.1 |
| JOHNSTON PA | S | 22.2 | 26.2 | 2.5 | .051 | 6.20 | 26.7 |
| CAR.-PRE. MAIN | S | 22.3 | 26.1 | 4.5 | .092 | 6.18 | 27.3 |
| SCANTON PA | S | 22.3 | 25.1 | 3.5 | .073 | 5.95 | 27.8 |

PART III (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| SPRINGFLD MO | F | 22.3 | 18.6 | 8.0 | .195 | 4.42 | 32.3 |
| COLUMBIA SC | G | 22.5 | 26.4 | 4.0 | .081 | 6.25 | 26.5 |
| MIAMI FLA | F | 22.6 | 26.3 | 12.0 | .244 | 6.22 | 32.6 |
| NEW ORLEANS LA | F | 22.6 | 26.3 | 4.0 | .081 | 6.22 | 28.6 |
| PITTSBURGH PA | S | 22.6 | 22.8 | 3.0 | .065 | 5.40 | 28.1 |
| BIRMINGHAM ALA | S | 22.8 | 26.6 | 4.5 | .090 | 6.31 | 27.3 |
| OKLAHOMA CITY OK | F | 22.8 | 22.1 | 6.0 | .133 | 5.25 | 30.8 |
| CHARLOTTE NC | G | 22.9 | 27.0 | 4.0 | .080 | 6.40 | 26.9 |
| FRESNO CALIF | S | 23.1 | 21.3 | 3.5 | .078 | 5.06 | 32.6 |
| GALVESTON TEXAS | G | 23.1 | 23.3 | 3.5 | .075 | 5.52 | 28.6 |
| SAN FRAN CALIF | S | 23.1 | 22.8 | 2.0 | .043 | 5.40 | 30.1 |
| COLO SPRGS COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| COLUMBUS MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| GREENWOOD MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| PUEBLO COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| BATON ROUGE LA | P | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| READING PA | S | 23.6 | 25.3 | 2.0 | .040 | 6.00 | 28.6 |
| SHREVEPT LA | F | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| JACKSON MISS | F | 23.7 | 23.2 | 5.0 | .106 | 5.50 | 30.7 |
| MOBILE ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| MONTGOMERY ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| ASHEVILLE NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| DURHAM NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| GULFPT-BILXI MIS | S | 24.1 | 23.8 | 5.0 | .104 | 5.64 | 31.1 |
| NRFLK-PTS S VA | S | 24.1 | 26.8 | 4.0 | .078 | 6.35 | 28.1 |

PART III (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| PORTLAND ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| SALEM ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| ERIE PENN | S | 24.6 | 22.8 | 1.5 | .031 | 5.40 | 29.1 |
| RENO NEV | S | 24.9 | 22.0 | 7.0 | .148 | 5.22 | 32.9 |
| TULSA OK | F | 24.9 | 21.0 | 3.0 | .065 | 4.99 | 30.9 |
| ALBUQUERQUE NM | F | 25.0 | 22.9 | 1.0 | .020 | 5.42 | 28.0 |
| RICHMOND VA | S | 25.1 | 26.8 | 2.5 | .048 | 6.35 | 30.1 |
| ROANOLE VA | S | 25.1 | 26.8 | 3.0 | .057 | 6.35 | 29.1 |
| AUSTIN TEXAS | F | 25.4 | 23.5 | 2.0 | .040 | 5.56 | 29.4 |
| CHARLSTON W. VA | F | 25.8 | 22.1 | 6.0 | .125 | 5.23 | 35.8 |
| MEDFORD ORE | P | 26.1 | 22.8 | 4.0 | .081 | 5.40 | 32.1 |
| SPOKANE WASH | F | 26.2 | 21.7 | 6.0 | .125 | 5.15 | 34.2 |
| BREMERTON WASH | G | 26.5 | 22.4 | 2.0 | .040 | 5.30 | 33.5 |

APPENDIX F (Continued)

PART IV

FARM VALUE IN ASCENDING ORDER

| | | | Farm Value Cents | | | | |
|---|---|---|---|---|---|---|---|
| FARGO-MRHEAD ND | F | 20.0 | 14.9 | 7.0 | .200 | 3.53 | 28.0 |
| BEMIDJI MINN | G | 18.7 | 15.2 | 7.0 | .205 | 3.60 | 23.7 |
| WINONA | G | 20.4 | 15.5 | 2.0 | .055 | 3.68 | 25.4 |
| GRAND FORKS ND | G | 16.3 | 15.6 | 7.0 | .218 | 3.71 | 25.3 |
| GREEN BAY WISC | F | 20.1 | 16.8 | 4.5 | .121 | 3.99 | 27.1 |
| ST. PAUL MINN | F | 10.8 | 17.6 | 6.0 | .210 | 4.18 | 23.3 |
| MINN. MINN | F | 10.8 | 17.6 | 7.0 | .245 | 4.18 | 25.3 |
| MADISON WISC | F | 18.7 | 17.7 | 3.0 | .082 | 4.20 | 28.2 |
| BELOIT WISC | F | 13.1 | 17.8 | 11.0 | .354 | 4.21 | 28.1 |
| FT. DODGE IOWA | F | 19.9 | 18.0 | 8.0 | .210 | 4.26 | 28.9 |
| DULUTH MINN | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| SUPERIOR WISC | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| ROCK ISLAND ILL | F | 17.3 | 18.6 | 9.0 | .250 | 4.41 | 28.3 |
| SPRINGFLD MO | F | 22.3 | 18.6 | 8.0 | .195 | 4.42 | 32.3 |
| DES MOINES IOWA | F | 22.1 | 18.8 | 7.0 | .170 | 4.46 | 28.1 |
| FORT WAYNE IND | F | 15.8 | 19.1 | 1.0 | .028 | 4.53 | 23.8 |
| SIOUX FALLS SD | F | 20.7 | 19.2 | 3.0 | .075 | 4.55 | 25.7 |
| MARQUETTE MICH | F | 18.4 | 19.5 | 4.0 | .105 | 4.62 | 23.4 |
| OMAHA NEB | F | 20.3 | 19.6 | 6.0 | .150 | 4.65 | 28.3 |
| LINCOLN NEB | F | 15.3 | 19.6 | 8.0 | .228 | 4.65 | 25.3 |
| KANSAS CITY KAN | F | 13.8 | 19.6 | 9.5 | .283 | 4.65 | 30.3 |

PART IV (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| KANSAS CITY MO | F | 12.8 | 19.6 | 10.5 | .323 | 4.65 | 30.3 |
| ST. LOUIS MO | F | 13.1 | 19.8 | 10.5 | .318 | 4.69 | 29.1 |
| PADUCAH KY | F | 15.6 | 19.8 | 6.5 | .183 | 4.70 | 24.1 |
| WICHITA KAN | F | 21.7 | 20.2 | 4.5 | .107 | 4.78 | 27.7 |
| LEXINGTON KY | F | 19.6 | 20.3 | 6.0 | .150 | 4.81 | 21.6 |
| LOUISVILLE KY | F | 17.6 | 20.3 | 7.0 | .184 | 4.81 | 28.6 |
| IDAHO FLS IDAHO | G | 20.7 | 20.7 | 7.5 | .180 | 4.90 | 25.2 |
| BOISE IDAHO | G | 21.5 | 20.7 | 8.7 | .205 | 4.90 | 30.2 |
| TULSA OK | F | 24.9 | 21.0 | 3.0 | .065 | 4.99 | 30.9 |
| BATTLE CREEK MIH | F | 15.7 | 21.2 | 3.0 | .081 | 5.03 | 22.7 |
| WHEELING W VA | F | 20.7 | 21.2 | 5.0 | .119 | 5.03 | 27.7 |
| FRESNO CALIF | S | 23.1 | 21.3 | 3.5 | .078 | 5.06 | 32.6 |
| SALT LAKE CITY U | F | 19.8 | 21.6 | 7.5 | .180 | 5.11 | 25.3 |
| SPOKANE WASH | F | 26.2 | 21.7 | 6.0 | .125 | 5.15 | 34.2 |
| SEATTLE WASH | F | 21.0 | 21.9 | 1.0 | .023 | 5.20 | 22.0 |
| RENO NEV | S | 24.9 | 22.0 | 7.0 | .148 | 5.22 | 32.9 |
| SACRAMNTO CALIF | S | 20.8 | 22.1 | 4.0 | .093 | 5.23 | 28.8 |
| CHARLSTON W VA | F | 25.8 | 22.1 | 6.0 | .125 | 5.23 | 35.8 |
| OKLAHOMA CITY OK | F | 22.8 | 22.1 | 6.0 | .133 | 5.25 | 30.8 |
| CHEYENNE WYO | | 19.6 | 22.3 | 7.0 | .166 | 5.28 | 26.6 |
| BREMERTON WASH | G | 26.5 | 22.4 | 2.0 | .040 | 5.30 | 33.5 |
| SNTA BARBARA CAL | S | 21.9 | 22.5 | 3.5 | .078 | 5.33 | 28.4 |
| L ANGELES CALIF | S | 15.9 | 22.5 | 8.5 | .220 | 5.33 | 33.4 |
| COLO SPRGS COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| PUEBLO COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |

PART IV (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| NASHVILLE TENN | F | 15.3 | 22.6 | 3.0 | .078 | 5.35 | 22.3 |
| COLUMBUS MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| GREENWOOD MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| DENVER COLO | F | 16.3 | 22.6 | 6.0 | .153 | 5.35 | 25.3 |
| ERIE PENN | S | 24.6 | 22.8 | 1.5 | .031 | 5.40 | 29.1 |
| PORTLAND ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| SALEM ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| SAN FRAN CALIF | S | 23.1 | 22.8 | 2.0 | .043 | 5.40 | 30.1 |
| PITTSBURGH PA | S | 22.6 | 22.8 | 3.0 | .065 | 5.40 | 28.1 |
| MEDFORD ORE | P | 26.1 | 22.8 | 4.0 | .081 | 5.40 | 32.1 |
| ALBUQUERQUE NM | F | 25.0 | 22.9 | 1.0 | .020 | 5.42 | 28.0 |
| SAN DIEGO CALIF | S | 22.0 | 22.9 | 4.0 | .088 | 5.43 | 29.0 |
| LITTLE ROCK ARK | F | 20.9 | 23.0 | 6.0 | .136 | 5.45 | 28.9 |
| FT SMITH ARK | F | 16.7 | 23.2 | 5.0 | .125 | 5.49 | 21.7 |
| JACKSON MISS | F | 23.7 | 23.2 | 5.0 | .106 | 5.50 | 30.7 |
| CHATTANOOGA TENN | F | 14.7 | 23.2 | 5.0 | .131 | 5.50 | 23.7 |
| BUTTE MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| GREAT FALLS MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| GALVESTON TEXAS | G | 23.1 | 23.3 | 3.5 | .075 | 5.52 | 28.6 |
| HOUSTON TEXAS | G | 19.6 | 23.3 | 4.0 | .093 | 5.52 | 26.6 |
| AUSTIN TEXAS | F | 25.4 | 23.5 | 2.0 | .040 | 5.56 | 29.4 |
| BINGHAMTON N.Y. | F | 18.1 | 23.8 | 1.0 | .023 | 5.63 | 31.9 |
| GULFPT-BILXI MIS | S | 24.1 | 23.8 | 5.0 | .104 | 5.64 | 31.1 |
| ALBANY N.Y. | F | 14.6 | 24.3 | 4.0 | .102 | 5.75 | 24.6 |
| TUCSON ARIZ | F | 17.2 | 24.7 | 9.0 | .214 | 5.85 | 28.2 |

PART IV (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| SCANTON PA | S | 22.3 | 25.1 | 3.5 | .073 | 5.95 | 27.8 |
| WILMINGTON DEL | F | 19.6 | 25.3 | 1.0 | .022 | 6.00 | 22.6 |
| READING PA | S | 23.6 | 25.3 | 2.0 | .040 | 6.00 | 28.6 |
| ATLANTIC CITY NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| CAMDEN NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| ROCHESTER N.Y. | P | 21.6 | 25.3 | 4.0 | .085 | 6.00 | 34.6 |
| TRENTON NJ | F | 18.6 | 25.3 | 4.0 | .090 | 6.00 | 28.6 |
| WORCHESTER MASS | F | 17.8 | 26.1 | 2.0 | .045 | 6.18 | 24.8 |
| RHODE ISLAND | F | 16.8 | 26.1 | 2.0 | .046 | 6.18 | 27.8 |
| MAN.-NASHUA P.NH | S | 19.8 | 26.1 | 3.0 | .065 | 6.18 | 26.8 |
| NEW BEDFORD MASS | F | 17.8 | 26.1 | 3.0 | .068 | 6.18 | 20.8 |
| AUG.-PORT.MAIN | S | 19.8 | 26.1 | 4.0 | .086 | 6.18 | 25.8 |
| CONCORD NEW H. | S | 18.8 | 26.1 | 4.0 | .088 | 6.18 | 27.8 |
| CAR.-PRE. MAIN | S | 22.3 | 26.1 | 4.5 | .092 | 6.18 | 27.3 |
| NEW HAVEN CONN. | F | 21.3 | 26.1 | 4.5 | .094 | 6.18 | 32.8 |
| LOWELL-LAW.MASS | F | 17.8 | 26.1 | 5.0 | .113 | 6.18 | 26.8 |
| SPRINGFLD.MASS | F | 15.8 | 26.1 | 5.0 | .119 | 6.18 | 26.8 |
| BOSTON MASS. | F | 12.8 | 26.1 | 7.0 | .179 | 6.18 | 24.8 |
| JOHNSTON PA | S | 22.2 | 26.2 | 2.5 | .051 | 6.20 | 26.7 |
| BATON ROUGE LA | P | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| SHREVEPT LA | F | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| NEW ORLEANS LA | F | 22.6 | 26.3 | 4.0 | .081 | 6.22 | 28.6 |
| MIAMI FLA | F | 22.6 | 26.3 | 12.0 | .244 | 6.22 | 32.6 |
| COLUMBIA SC | G | 22.5 | 26.4 | 4.0 | .081 | 6.25 | 26.5 |
| MOBILE ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |

PART IV (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| MONTGOMERY ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| BIRMINGHAM ALA | S | 22.8 | 26.6 | 4.5 | .090 | 6.31 | 27.3 |
| RICHMOND VA | S | 25.1 | 26.8 | 2.5 | .048 | 6.35 | 30.1 |
| ROANOLE VA | S | 25.1 | 26.8 | 3.0 | .057 | 6.35 | 29.1 |
| NRFLK-PTS S VA | S | 24.1 | 26.8 | 4.0 | .078 | 6.35 | 28.1 |
| ASHEVILLE NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| DURHAM NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| CHARLOTTE NC | G | 22.9 | 27.0 | 4.0 | .080 | 6.40 | 26.9 |
| WINSTON-SALEM NC | G | 21.9 | 27.0 | 4.0 | .081 | 6.40 | 27.9 |
| ATLANTA GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| AUG.COL.MAV.GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| SAVANNAH GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |

APPENDIX F (Continued)

PART V

THE STORES' GROSS MARGIN (CENTS IN ASCENDING ORDER

| | | | | Store Gross Cents | | | |
|---|---|---|---|---|---|---|---|
| FORT WAYNE IND | F | 15.8 | 19.1 | 1.0 | .028 | 4.53 | 23.8 |
| SEATTLE WASH | F | 21.0 | 21.9 | 1.0 | .023 | 5.20 | 22.0 |
| ALBUQUERQUE NM | F | 25.0 | 22.9 | 1.0 | .020 | 5.42 | 28.0 |
| BINGHAMTON N.Y. | F | 18.1 | 23.8 | 1.0 | .023 | 5.63 | 31.1 |
| WILMINGTON DEL | F | 19.6 | 25.3 | 1.0 | .022 | 6.00 | 22.6 |
| ERIE PENN | S | 24.6 | 22.8 | 1.5 | .031 | 5.40 | 29.1 |
| WINONA | G | 20.4 | 15.5 | 2.0 | .055 | 3.68 | 25.4 |
| BREMERTON WASH | G | 26.5 | 22.4 | 2.0 | .040 | 5.30 | 33.5 |
| SAN FRAN CALIF | S | 23.1 | 22.8 | 2.0 | .043 | 5.40 | 30.1 |
| PORTLAND ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| SALEM ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| AUSTIN TEXAS | F | 25.4 | 23.5 | 2.0 | .040 | 5.56 | 29.4 |
| READING PA | S | 23.6 | 25.3 | 2.0 | .040 | 6.00 | 28.6 |
| RHODE ISLAND | F | 16.8 | 26.1 | 2.0 | .046 | 6.18 | 27.8 |
| WORCHESTER MASS | F | 17.8 | 26.1 | 2.0 | .045 | 6.18 | 24.8 |
| JOHNSTON PA | S | 22.2 | 26.2 | 2.5 | .051 | 6.20 | 26.7 |
| RICHMOND VA | S | 25.1 | 26.8 | 2.5 | .048 | 6.35 | 30.1 |
| MADISON WISC | F | 18.7 | 17.7 | 3.0 | .082 | 4.20 | 28.2 |
| SIOUX FALLS SD | F | 20.7 | 19.2 | 3.0 | .075 | 4.55 | 25.7 |
| TULSA OK | F | 24.9 | 21.0 | 3.0 | .065 | 4.99 | 30.9 |
| BATTLE CREEK MIH | F | 15.7 | 21.2 | 3.0 | .081 | 5.03 | 22.7 |

PART V (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| NASHVILLE TENN | F | 15.3 | 22.6 | 3.0 | .078 | 5.35 | 22.3 |
| COLO SPRGS COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| PUEBLO COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| PITTSBURGH PA | S | 22.6 | 22.8 | 3.0 | .065 | 5.40 | 28.1 |
| ATLANTIC CITY NJ | F | 17,6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| CAMDEN NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| NEW BEDFORD MASS | F | 17.8 | 26.1 | 3.0 | .068 | 6.18 | 20.8 |
| MAN.-NASHUA P.NH | S | 19.8 | 26.1 | 3.0 | .065 | 6.18 | 26.8 |
| ROANOLE VA | S | 25.1 | 26.8 | 3.0 | .057 | 6.35 | 29.1 |
| FRESNO CALIF | S | 23.1 | 21.3 | 3.5 | .078 | 5.06 | 32.6 |
| SNTA BARBARA CAL | S | 21.9 | 22.5 | 3.5 | .078 | 5.33 | 28.4 |
| GALVESTON TEXAS | G | 23.1 | 23.3 | 3.5 | .075 | 5.52 | 28.6 |
| SCANTON PA | S | 22.3 | 25.1 | 3.5 | .073 | 5.95 | 27.8 |
| DULUTH MINN | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| SUPERIOR WISC | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| MARQUETTE MICH | F | 18.4 | 19.5 | 4.0 | .105 | 4.62 | 23.4 |
| SACRAMNTO CALIF | S | 20.8 | 22.1 | 4.0 | .093 | 5.23 | 28.8 |
| MEDFORD ORE | P | 26.1 | 22.8 | 4.0 | .081 | 5.40 | 32.1 |
| SAN DIEGO CALIF | S | 22.0 | 22.9 | 4.0 | .088 | 5.43 | 29.0 |
| HOUSTON TEXAS | G | 19.6 | 23.3 | 4.0 | .093 | 5.52 | 26.6 |
| ALBANY N.Y. | F | 14.6 | 24.3 | 4.0 | .102 | 5.75 | 24.6 |
| TRENTON NJ | F | 18.6 | 25.3 | 4.0 | .090 | 6.00 | 28.6 |
| ROCHESTER N.Y. | P | 21.6 | 25.3 | 4.0 | .085 | 6.00 | 34.6 |
| CONCORD NEW H. | S | 18.8 | 26.1 | 4.0 | .088 | 6.18 | 27.8 |
| AUG.-PORT.MAIN | S | 19.8 | 26.1 | 4.0 | .086 | 6.18 | 25.8 |

PART V (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| NEW ORLEANS LA | F | 22.6 | 26.3 | 4.0 | .081 | 6.22 | 28.6 |
| BATON ROUGE LA | P | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| SHREVEPT LA | F | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| COLUMBIA SC | G | 22.5 | 26.4 | 4.0 | .081 | 6.25 | 26.5 |
| NRFLK-PTS S VA | S | 24.1 | 26.8 | 4.0 | .078 | 6.35 | 28.1 |
| WINSTON-SALEM NC | G | 21.9 | 27.0 | 4.0 | .081 | 6.40 | 27.9 |
| CHARLOTTE NC | G | 22.9 | 27.0 | 4.0 | .080 | 6.40 | 26.9 |
| ASHEVILLE NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| DURHAM NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| GREEN BAY WISC | F | 20.1 | 16.8 | 4.5 | .121 | 3.99 | 27.1 |
| WICHITA KAN | F | 21.7 | 20.2 | 4.5 | .107 | 4.78 | 27.7 |
| NEW HAVEN CONN. | F | 21.3 | 26.1 | 4.5 | .094 | 6.18 | 32.8 |
| CAR.-PRE. MAIN | S | 22.3 | 26.1 | 4.5 | .092 | 6.18 | 27.3 |
| BIRMINGHAM ALA | S | 22.8 | 26.6 | 4.5 | .090 | 6.31 | 27.3 |
| MOBILE ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| MONTGOMERY ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| WHEELING W VA | F | 20.7 | 21.2 | 5.0 | .119 | 5.03 | 27.7 |
| COLUMBUS MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| GREENWOOD MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| CHATTANOOGA TENN | F | 14.7 | 23.2 | 5.0 | .131 | 5.50 | 23.7 |
| FT. SMITH ARK | F | 16.7 | 23.2 | 5.0 | .125 | 5.49 | 21.7 |
| JACKSON MISS | F | 23.7 | 23.2 | 5.0 | .106 | 5.50 | 30.7 |
| GULFPT-BILXI MIS | S | 24.1 | 23.8 | 5.0 | .104 | 5.64 | 31.1 |
| SPRINGFLD.MASS | F | 15.8 | 26.1 | 5.0 | .119 | 6.18 | 26.8 |
| LOWELL-LAW.MASS | F | 17.8 | 26.1 | 5.0 | .113 | 6.18 | 26.8 |

PART V (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ST PAUL MINN | F | 10.8 | 17.6 | 6.0 | .210 | 4.18 | 23.3 |
| OMAHA NEB | F | 20.3 | 19.6 | 6.0 | .150 | 4.65 | 28.3 |
| LEXINGTON KY | F | 19.6 | 20.3 | 6.0 | .150 | 4.81 | 21.6 |
| SPOKANE WASH | F | 26.2 | 21.7 | 6.0 | .125 | 5.15 | 34.2 |
| OKLAHOMA CITY OK | F | 22.8 | 22.1 | 6.0 | .133 | 5.25 | 30.8 |
| CHARLSTON W VA | F | 25.8 | 22.1 | 6.0 | .125 | 5.23 | 35.8 |
| DENVER COLO | F | 16.3 | 22.6 | 6.0 | .153 | 5.35 | 25.3 |
| LITTLE ROCK ARK | F | 20.9 | 23.0 | 6.0 | .136 | 5.45 | 28.9 |
| BUTTE MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| GREAT FALLS MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| ATLANTA GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| AUG.COL.MAV.GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| SAVANNAH GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| PADUCAH KY | F | 15.6 | 19.8 | 6.5 | .183 | 4.70 | 24.1 |
| FARGO-MRHEAD ND | F | 20.0 | 14.9 | 7.0 | .200 | 3.53 | 28.0 |
| BEMIDJI MINN | G | 18.7 | 15.2 | 7.0 | .205 | 3.60 | 23.7 |
| GRAND FORKS ND | G | 16.3 | 15.6 | 7.0 | .218 | 3.71 | 25.3 |
| MINN. MINN | F | 10.8 | 17.6 | 7.0 | .245 | 4.18 | 25.3 |
| DES MOINES IOWA | F | 22.1 | 18.8 | 7.0 | .170 | 4.46 | 28.1 |
| LOUISVILLE KY | F | 17.6 | 20.3 | 7.0 | .184 | 4.81 | 28.6 |
| RENO NEV | S | 24.9 | 22.0 | 7.0 | .148 | 5.22 | 32.9 |
| CHEYENNE WYO | | 19.6 | 22.3 | 7.0 | .166 | 5.28 | 26.6 |
| BOSTON MASS. | F | 12.8 | 26.1 | 7.0 | .179 | 6.18 | 24.8 |
| IDAHO FLS IDAHO | G | 20.7 | 20.7 | 7.5 | .180 | 4.90 | 25.2 |
| SALT LAKE CITY U | F | 19.8 | 21.6 | 7.5 | .180 | 5.11 | 25.3 |

PART V (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| FT. DODGE IOWA | F | 19.9 | 18.0 | 8.0 | .210 | 4.26 | 28.9 |
| SPRINGFLD MO | F | 22.3 | 18.6 | 8.0 | .195 | 4.42 | 32.3 |
| LINCOLN NEB | F | 15.3 | 19.6 | 8.0 | .228 | 4.65 | 25.3 |
| L ANGELES CALIF | S | 15.9 | 22.5 | 8.5 | .220 | 5.33 | 33.4 |
| BOISE IDAHO | G | 21.5 | 20.7 | 8.7 | .205 | 4.90 | 30.2 |
| ROCK ISLAND ILL | F | 17.3 | 18.6 | 9.0 | .250 | 4.41 | 28.3 |
| TUCSON ARIZ | F | 17.2 | 24.7 | 9.0 | .214 | 5.85 | 28.2 |
| KANSAS CITY KAN | F | 13.8 | 19.6 | 9.5 | .283 | 4.65 | 30.3 |
| KANSAS CITY MO | F | 12.8 | 19.6 | 10.5 | .323 | 4.65 | 30.3 |
| ST. LOUIS MO | F | 13.1 | 19.8 | 10.5 | .318 | 4.69 | 29.1 |
| BELOIT WISC | F | 13.1 | 17.8 | 11.0 | .354 | 4.21 | 28.1 |
| MIAMI FLA | F | 22.6 | 26.3 | 12.0 | .244 | 6.22 | 32.6 |

APPENDIX F (Continued)

PART VI

THE STORES' MARGIN (PER CENT) IN ASCENDING ORDER

| | | | | | Store Margin % | | |
|---|---|---|---|---|---|---|---|
| ALBUQUERQUE NM. | F | 25.0 | 22.9 | 1.0 | .020 | 5.42 | 28.0 |
| WILMINGTON DEL | F | 19.6 | 25.3 | 1.0 | .022 | 6.00 | 22.6 |
| SEATTLE WASH | F | 21.0 | 21.9 | 1.0 | .023 | 5.20 | 22.0 |
| BINGHAMTON N.Y. | F | 18.1 | 23.8 | 1.0 | .023 | 5.63 | 31.1 |
| FORT WAYNE IND | F | 15.8 | 19.1 | 1.0 | .028 | 4.53 | 23.8 |
| ERIE PENN | S | 24.6 | 22.8 | 1.5 | .031 | 5.40 | 29.1 |
| BREMERTON WASH | G | 26.5 | 22.4 | 2.0 | .040 | 5.30 | 33.5 |
| AUSTIN TEXAS | F | 25.4 | 23.5 | 2.0 | .040 | 5.56 | 29.4 |
| READING PA | S | 23.6 | 25.3 | 2.0 | .040 | 6.00 | 28.6 |
| PORTLAND ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| SALEM ORG | P | 24.1 | 22.8 | 2.0 | .042 | 5.40 | 33.1 |
| SAN FRAN CALIF | S | 23.1 | 22.8 | 2.0 | .043 | 5.40 | 30.1 |
| WORCHESTER MASS | F | 17.8 | 26.1 | 2.0 | .045 | 6.18 | 24.8 |
| RHODE ISLAND | F | 16.8 | 26.1 | 2.0 | .046 | 6.18 | 27.8 |
| RICHMOND VA | S | 25.1 | 26.8 | 2.5 | .048 | 6.35 | 30.1 |
| JOHNSTON PA | S | 22.2 | 26.2 | 2.5 | .051 | 6.20 | 26.7 |
| WINONA | G | 20.4 | 15.5 | 2.0 | .055 | 3.68 | 25.4 |
| ROANOLE VA | S | 25.1 | 26.8 | 3.0 | .057 | 6.35 | 29.1 |
| TULSA OK | F | 24.9 | 21.0 | 3.0 | .065 | 4.99 | 30.9 |
| COLO SPRGS COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |
| PUEBLO COLO | F | 23.3 | 22.6 | 3.0 | .065 | 5.35 | 28.3 |

PART VI (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| PITTSBURGH PA | S | 22.6 | 22.8 | 3.0 | .065 | 5.40 | 28.1 |
| MAN.-NASHUA P.NH | S | 19.8 | 26.1 | 3.0 | .065 | 6.18 | 26.8 |
| NEW BEDFORD MASS | F | 17.8 | 26.1 | 3.0 | .068 | 6.18 | 20.8 |
| ATLANTIC CITY NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| CAMDEN NJ | F | 17.6 | 25.3 | 3.0 | .069 | 6.00 | 26.6 |
| SCANTON PA | S | 22.3 | 25.1 | 3.5 | .073 | 5.95 | 27.8 |
| SIOUX FALLS SD | F | 20.7 | 19.2 | 3.0 | .075 | 4.55 | 25.7 |
| GALVESTON TEXAS | G | 23.1 | 23.3 | 3.5 | .075 | 5.52 | 28.6 |
| NASHVILLE TENN | F | 15.3 | 22.6 | 3.0 | .078 | 5.35 | 22.3 |
| FRESNO CALIF | S | 23.1 | 21.3 | 3.5 | .078 | 5.06 | 32.6 |
| SNTA BARBARA CAL | S | 21.9 | 22.5 | 3.5 | .078 | 5.33 | 28.4 |
| NRFLK-PTS S VA | S | 24.1 | 26.8 | 4.0 | .078 | 6.35 | 28.1 |
| ASHEVILLE NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| DURHAM NC | G | 23.9 | 27.0 | 4.0 | .078 | 6.40 | 27.9 |
| BATON ROUGE LA | P | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| SHREVEPT LA | F | 23.6 | 26.3 | 4.0 | .080 | 6.22 | 28.6 |
| CHARLOTTE NC | G | 22.9 | 27.0 | 4.0 | .080 | 6.40 | 26.9 |
| BATTLE CREEK MIH | F | 15.7 | 21.2 | 3.0 | .081 | 5.03 | 22.7 |
| MEDFORD ORE | P | 26.1 | 22.8 | 4.0 | .081 | 5.40 | 32.1 |
| NEW ORLEANS LA | F | 22.6 | 26.3 | 4.0 | .081 | 6.22 | 28.6 |
| COLUMBIA SC | G | 22.5 | 26.4 | 4.0 | .081 | 6.25 | 26.5 |
| WINSTON-SALEM NC | G | 21.9 | 27.0 | 4.0 | .081 | 6.40 | 27.9 |
| MADISON WISC | F | 18.7 | 17.7 | 3.0 | .082 | 4.20 | 28.2 |
| ROCHESTER N.Y. | P | 21.6 | 25.3 | 4.0 | .085 | 6.00 | 34.6 |
| AUG.-PORT.MAIN | S | 19.8 | 26.1 | 4.0 | .086 | 6.18 | 25.8 |

PART VI (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| SAN DIEGO CALIF | S | 22.0 | 22.9 | 4.0 | .088 | 5.43 | 29.0 |
| CONCORD NEW H. | S | 18.8 | 26.1 | 4.0 | .088 | 6.18 | 27.8 |
| MOBILE ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| MONTGOMERY ALA | S | 23.8 | 26.6 | 4.5 | .089 | 6.31 | 28.3 |
| TRENTON NJ | F | 18.6 | 25.3 | 4.0 | .090 | 6.00 | 28.6 |
| BIRMINGHAM ALA | S | 22.8 | 26.6 | 4.5 | .090 | 6.31 | 27.3 |
| CAR.-PRE. MAIN | S | 22.3 | 26.1 | 4.5 | .092 | 6.18 | 27.3 |
| SCRAMNTO CALIF | S | 20.8 | 22.1 | 4.0 | .093 | 5.23 | 28.8 |
| HOUSTON TEXAS | G | 19.6 | 23.3 | 4.0 | .093 | 5.52 | 26.6 |
| NEW HAVEN CONN. | F | 21.3 | 26.1 | 4.5 | .094 | 6.18 | 32.8 |
| DULUTH MINN | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| SUPERIOR WISC | F | 20.3 | 18.6 | 4.0 | .102 | 4.40 | 28.3 |
| ALBANY N.Y. | F | 14.6 | 24.3 | 4.0 | .102 | 5.75 | 24.6 |
| GULFPT-BILXI MIS | S | 24.1 | 23.8 | 5.0 | .104 | 5.64 | 31.1 |
| MARQUETTE MICH | F | 18.4 | 19.5 | 4.0 | .105 | 4.62 | 23.4 |
| JACKSON MISS | F | 23.7 | 23.2 | 5.0 | .106 | 5.50 | 30.7 |
| WICHITA KAN | F | 21.7 | 20.2 | 4.5 | .107 | 4.78 | 27.7 |
| COLUMBUS MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| GREENWOOD MISS | F | 23.3 | 22.6 | 5.0 | .108 | 5.35 | 30.3 |
| LOWELL-LAW.MASS | F | 17.8 | 26.1 | 5.0 | .113 | 6.18 | 26.8 |
| WHEELING W VA | F | 20.7 | 21.2 | 5.0 | .119 | 5.03 | 27.7 |
| SPRINGFLD.MASS | F | 15.8 | 26.1 | 5.0 | .119 | 6.18 | 26.8 |
| GREEN BAY WISC | F | 20.1 | 16.8 | 4.5 | .121 | 3.99 | 27.1 |
| ATLANTA GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| AUG.COL.MAV.GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |

PART VI (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| SAVANNAH GA | S | 21.3 | 27.6 | 6.0 | .122 | 6.55 | 29.3 |
| FT SMITH ARK | F | 16.7 | 23.2 | 5.0 | .125 | 5.49 | 21.7 |
| SPOKANE WASH | F | 26.2 | 21.7 | 6.0 | .125 | 5.15 | 34.2 |
| CHARLSTON W VA | F | 25.8 | 22.1 | 6.0 | .125 | 5.23 | 35.8 |
| CHATTANOOGA TENN | F | 14.7 | 23.2 | 5.0 | .131 | 5.50 | 23.7 |
| OKLAHOMA CITY OK | F | 22.8 | 22.1 | 6.0 | .133 | 5.25 | 30.8 |
| BUTTE MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| GREAT FALLS MONT | S | 21.7 | 23.2 | 6.0 | .133 | 5.50 | 27.7 |
| LITTLE ROCK ARK | F | 20.9 | 23.0 | 6.0 | .136 | 5.45 | 28.9 |
| RENO NEV | S | 24.9 | 22.0 | 7.0 | .148 | 5.22 | 32.9 |
| OMAHA NEB | F | 20.3 | 19.6 | 6.0 | .150 | 4.65 | 28.3 |
| LEXINGTON KY | F | 19.6 | 20.3 | 6.0 | .150 | 4.81 | 21.6 |
| DENVER COLO | F | 16.3 | 22.6 | 6.0 | .153 | 5.35 | 25.3 |
| CHEYENNE WYO | | 19.6 | 22.3 | 7.0 | .166 | 5.28 | 26.6 |
| DES MOINES IOWA | F | 22.1 | 18.8 | 7.0 | .170 | 4.46 | 28.1 |
| BOSTON MASS. | F | 12.8 | 26.1 | 7.0 | .179 | 6.18 | 24.8 |
| IDAHO FLS IDAHO | G | 20.7 | 20.7 | 7.5 | .180 | 4.90 | 25.2 |
| SALT LAKE CITY U | F | 19.8 | 21.6 | 7.5 | .180 | 5.11 | 25.3 |
| PADUCAH KY | F | 15.6 | 19.8 | 6.5 | .183 | 4.70 | 24.1 |
| LOUISVILLE KY | F | 17.6 | 20.3 | 7.0 | .184 | 4.81 | 28.6 |
| SPRINGFLD MO | F | 22.3 | 18.6 | 8.0 | .195 | 4.42 | 32.3 |
| FARGO-MRHEAD ND | F | 20.0 | 14.9 | 7.0 | .200 | 3.53 | 28.0 |
| BEMIDJI MINN | G | 18.7 | 15.2 | 7.0 | .205 | 3.60 | 23.7 |
| BOISE IDAHO | G | 21.5 | 20.7 | 8.7 | .205 | 4.90 | 30.2 |
| ST. PAUL MINN | F | 10.8 | 17.6 | 6.0 | .210 | 4.18 | 23.3 |

PART VI (Continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| FT. DODGE IOWA | F | 19.9 | 18.0 | 8.0 | .210 | 4.26 | 28.9 |
| TUCSON ARIZ | F | 17.2 | 24.7 | 9.0 | .214 | 5.85 | 28.2 |
| GRAND FORKS ND | G | 16.3 | 15.6 | 7.0 | .218 | 3.71 | 25.3 |
| L ANGELES CALIF | S | 15.9 | 22.5 | 8.5 | .220 | 5.33 | 33.4 |
| LINCOLN NEB | F | 15.3 | 19.6 | 8.0 | .228 | 4.65 | 25.3 |
| MIAMI FLA | F | 22.6 | 26.3 | 12.0 | .244 | 6.22 | 32.6 |
| MINN. MINN | F | 10.8 | 17.6 | 7.0 | .245 | 4.18 | 25.3 |
| ROCK ISLAND ILL | F | 17.3 | 18.6 | 9.0 | .250 | 4.41 | 28.3 |
| KANSAS CITY KAN | F | 13.8 | 19.6 | 9.5 | .283 | 4.65 | 30.3 |
| ST. LOUIS MO | F | 13.1 | 19.8 | 10.5 | .318 | 4.69 | 29.1 |
| KANSAS CITY MO | F | 12.8 | 19.6 | 10.5 | .323 | 4.65 | 30.3 |
| BELOIT WISC | F | 13.1 | 17.8 | 11.0 | .354 | 4.21 | 28.1 |

# APPENDIX G

## FLUID MILK MARKET PRICES FOR CONTROLLED, NON-CONTROLLED, AND FEDERAL MARKETS

## JULY 1965

| | | A | B | C | D | E | F | G | H | I | J | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ABERDEEN SD | F | 4.55 | 20.0 | 38.0 | 074.0 | 23.0 | 44.0 | 086.0 | 22.0 | 43.0 | 086.0 | |
| ASHEVILLE NC | G | 6.40 | 26.0 | 51.0 | 094.0 | 28.0 | 55.0 | 104.0 | 28.0 | 55.0 | 110.0 | |
| AKRON OHIO | F | 4.80 | | | | 25.0 | 44.0 | | 22.0 | 39.5 | 075.0 | 1 |
| ALBUQUERQUE NM | F | 5.42 | 25.0 | 48.0 | 097.0 | 28.0 | 51.0 | 101.0 | 28.0 | 49.0 | 096.0 | |
| ALBANY N.Y. | F | 5.75 | 27.0 | 39.0 | 104.0 | 29.0 | 49.0 | | 27.0 | 43.0 | 077.0 | 1 |
| ALTON ILL | F | 4.59 | 22.0 | | 070.0 | 25.0 | 44.0 | 082.0 | 25.0 | 33.5 | 079.0 | 1 |
| ALEX.ARL.VA | F | 5.74 | 29.0 | 49.0 | 110.0 | 31.0 | 56.0 | | 28.0 | 49.0 | 098.0 | 1 |
| ATLANTIC CITY NJ | F | 6.00 | 23.5 | 43.0 | 100.0 | 28.5 | 52.0 | 098.0 | 25.5 | 46.0 | | 0 |
| ATLANTA GA | S | 6.55 | 25.0 | 49.0 | 100.0 | 29.0 | 57.0 | 107.0 | 28.0 | 55.0 | 103.0 | |
| AUG.-PORT.MAIN | S | 6.18 | 23.5 | 46.0 | 094.0 | 27.0 | 52.0 | 098.0 | 26.0 | 50.0 | 091.0 | |
| AUG.COL.MAV.GA | S | 6.55 | 25.0 | 49.0 | 100.0 | 29.0 | 57.0 | 107.0 | 28.0 | 55.0 | 103.0 | |
| AUSTIN TEXAS | F | 5.56 | 25.5 | 49.0 | | 28.0 | 53.0 | 093.0 | 28.0 | 51.0 | 093.0 | |
| BATTLE CREEK MIH | F | 5.03 | 21.0 | 37.0 | 082.0 | 24.0 | 44.0 | | 24.0 | 40.0 | | |
| BALTIMORE MD | F | 5.80 | 28.0 | 53.0 | 099.0 | 31.0 | 56.0 | | 29.0 | 53.0 | | |
| BATON ROUGE LA | P | 6.22 | 26.0 | 50.0 | 098.0 | 28.0 | 55.0 | 105.0 | 28.0 | 54.0 | 101.0 | |
| BELLOW FALLS VT. | S | | 21.0 | 41.0 | 080.0 | 24.0 | 45.0 | | 23.0 | 45.0 | | 1 |
| BELOIT WISC | F | 4.21 | 16.0 | 31.0 | 074.0 | 26.0 | 46.0 | 081.0 | 22.0 | 42.0 | 071.0 | |
| BEMIDJI MINN | G | 3.60 | 17.0 | 34.0 | 068.0 | 21.0 | 39.0 | 077.0 | 21.0 | 41.0 | 077.0 | |
| BINGHAMTON N.Y. | F | 5.63 | 21.0 | 42.0 | 092.0 | 29.0 | 55.0 | | 25.0 | 43.0 | | 1 |
| BIRMINGHAM ALA | S | 6.31 | 25.0 | 49.5 | | 27.5 | 54.0 | | 27.5 | 54.0 | | |
| BISMRK-MAN. ND | G | 4.03 | | | | 18.0 | 38.0 | | 19.0 | 38.0 | | |

APPENDIX G (Continued)

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BOISE IDAHO | G | 4.90 | 21.5 | 42.3 | 083.0 | 26.0 | 51.0 | 095.0 | 26.0 | 51.0 | | |
| BOSTON MASS. | F | 6.18 | 24.0 | 39.0 | 098.0 | 29.5 | 51.0 | 099.0 | 25.5 | 46.0 | 081.0 | 1 |
| BREMERTON WASH | G | 5.30 | 25.5 | 49.0 | 103.0 | 29.0 | 56.0 | | 27.5 | 51.0 | 095.0 | |
| BURLINTN. VT. | S | | 20.0 | 41.0 | 080.0 | 24.0 | 45.0 | | 22.0 | 45.0 | | 1 |
| BUFFALO N.Y. | P | 6.00 | 21.5 | | 092.0 | 29.0 | 56.0 | | 22.0 | 43.0 | 085.0 | 1 |
| BURLINGTON IOWA | G | | 20.0 | 37.0 | 072.0 | 25.0 | 43.0 | | 25.0 | 39.0 | | |
| BUTTE MONT | S | 5.50 | 23.0 | 45.0 | 090.0 | 26.0 | 51.0 | 096.0 | 26.0 | 51.0 | 096.0 | |
| CAR.-PRE. MAIN | S | 6.18 | 25.0 | 48.5 | 100.0 | 27.5 | 53.5 | 101.0 | 27.0 | 53.0 | 097.0 | 1 |
| CAMDEN NJ | F | 6.00 | 23.5 | 43.0 | 100.0 | 29.0 | 52.0 | 098.0 | 26.0 | 46.0 | 086.0 | |
| CANTON | F | 4.80 | | | | 25.0 | 45.0 | | 22.0 | 39.5 | 075.0 | 1 |
| CHEYENNE WYO | | 5.28 | 21.5 | 42.0 | 082.0 | 25.0 | 49.0 | | 25.0 | 49.0 | | |
| CHICAGO ILL | F | 4.32 | 26.5 | 49.0 | | 29.5 | 53.0 | 092.0 | 26.0 | 47.0 | 079.0 | |
| CHARLSTON W VA | F | 5.23 | 27.0 | 48.0 | 100.0 | 30.0 | 58.0 | 098.0 | 31.0 | 54.0 | 069.0 | |
| CHARLOTTE NC | G | 6.40 | 25.5 | 50.0 | 096.0 | 28.0 | 54.0 | 104.0 | 28.0 | 54.0 | 104.0 | |
| CHARLESTON SC | G | 6.25 | | | 094.0 | 28.0 | 55.0 | | 28.0 | 49.0 | | |
| CHATTANOOGA TENN | F | 5.50 | 23.0 | 38.0 | 083.0 | 26.0 | 47.0 | 085.0 | 26.0 | 43.0 | 083.0 | |
| CINCINNATI OHIO | F | 4.92 | | | | 26.0 | 48.0 | 085.0 | 22.0 | 39.0 | 069.0 | 1 |
| CLEVELAND OHIO | F | 4.80 | | | | 25.0 | 42.0 | | 22.0 | 32.0 | 075.0 | 1 |
| COLO SPRGS COLO | F | 5.35 | 24.0 | 46.0 | | 27.0 | 51.0 | 098.0 | 26.0 | 49.0 | 093.0 | |
| CONCORD NEW H. | S | 6.18 | 23.0 | 45.0 | | 28.0 | 54.0 | 096.0 | 26.0 | 49.0 | 087.0 | 1 |
| COLUMBUS OHIO | F | 4.88 | | | | 27.0 | 46.0 | 089.0 | 22.0 | 39.5 | 075.0 | 1 |
| COLUMBIA SC | G | 6.25 | 25.0 | 49.0 | 096.0 | 27.0 | 53.0 | 106.0 | 27.0 | 53.0 | 106.0 | 1 |
| COLUMBUS MISS | F | 5.35 | 23.5 | 46.0 | 090.0 | 27.5 | 53.0 | 106.0 | 26.5 | 51.0 | 102.0 | |
| CUMBERLAND MD | G | | | | | 28.0 | 43.0 | 081.0 | 28.0 | 52.0 | 089.0 | |
| DAYTON OHIO | F | 4.82 | | | | 27.0 | 46.0 | 085.0 | 22.0 | 37.0 | 055.0 | 1 |

APPENDIX G (Continued)

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DALLAS TEXAS | F | 5.26 | | | | 29.0 | 49.0 | 097.0 | 27.0 | 48.0 | 091.0 | |
| DENVER COLO | F | 5.35 | 21.0 | 39.0 | 089.0 | 27.0 | 48.0 | 090.0 | 26.0 | 45.0 | 089.0 | 1 |
| DETROIT MICH | F | 5.10 | | | | 27.0 | 48.0 | | 23.0 | 35.0 | | 1 |
| DES MOINES IOWA | F | 4.46 | 23.0 | 41.0 | 082.0 | 26.5 | 47.0 | 083.0 | 27.5 | 48.0 | 083.0 | |
| DULUTH MINN | F | 4.40 | 20.0 | 39.0 | 086.0 | 24.0 | 47.0 | | 22.0 | 43.0 | | |
| DURHAM NC | G | 6.40 | 26.0 | 51.0 | 096.0 | 28.0 | 55.0 | 110.0 | 28.0 | 55.0 | 104.0 | |
| EAU CLAIRE WISC | G | | 18.5 | 35.0 | 076.0 | 23.0 | 44.0 | | 22.0 | 42.0 | | |
| EL PASO TEXAS | F | 5.52 | | | 091.0 | 28.0 | 51.0 | | 27.0 | 47.0 | 095.0 | 1 |
| ERIE PENN | S | 5.40 | 25.0 | 47.5 | 098.0 | 27.5 | 52.0 | 100.0 | 26.5 | 49.0 | 094.0 | |
| EVANSVILLE IND | F | 4.81 | | | | 24.0 | 44.0 | | 24.0 | 39.0 | 069.0 | 1 |
| EVERETT WASH | F | 5.30 | 25.5 | 49.0 | 103.0 | 29.0 | 44.0 | | 26.5 | 44.0 | 085.0 | |
| FARGO-MRHEAD ND | F | 3.53 | 18.0 | 35.0 | 070.0 | 22.0 | 43.0 | 084.0 | 22.0 | 42.0 | 084.0 | |
| FORT WAYNE IND | F | 4.53 | 18.5 | 35.0 | 082.0 | 25.0 | 43.0 | 079.0 | 22.0 | 36.0 | 069.0 | |
| FRESNO CALIF | S | 5.06 | 23.0 | 44.5 | 090.0 | 27.5 | 54.0 | 105.0 | 24.5 | 48.0 | 096.0 | 1 |
| FT. DODGE IOWA | F | 4.26 | 20.0 | 38.0 | 074.0 | 25.0 | 47.0 | | 24.0 | 46.0 | | |
| FT. SMITH ARK | F | 5.49 | 22.0 | 40.0 | 084.0 | 27.0 | 45.0 | 082.0 | 27.0 | 45.0 | | |
| GARY IND | F | 4.45 | | | | 32.5 | 59.0 | 096.0 | 26.0 | 49.0 | 079.0 | 1 |
| GALVESTON TEXAS | G | 5.52 | 24.5 | 46.5 | 089.0 | 27.0 | 52.0 | 091.0 | 27.0 | 50.0 | 091.0 | |
| GREAT FALLS MONT | S | 5.50 | 23.0 | 45.0 | 090.0 | 26.0 | 51.0 | 100.0 | 26.0 | 51.0 | 100.0 | |
| GRAND RAPIDS MIC | F | 5.03 | 17.5 | | | 26.0 | 35.0 | | 21.0 | 33.0 | | 1 |
| GREEN BAY WISC | F | 3.99 | | 37.0 | 077.5 | 23.0 | 44.0 | 079.0 | 21.5 | 41.5 | 077.0 | |
| GRAND FORKS ND | G | 3.71 | | 32.0 | | 21.0 | 41.0 | | 20.0 | 39.0 | | |
| GREENVILLE SC | G | 6.25 | | | 096.0 | 27.0 | 53.0 | | 27.0 | 49.0 | | |
| GREENWOOD MISS | F | 5.35 | 23.5 | 46.0 | 090.0 | 27.5 | 53.0 | 106.0 | 26.0 | 51.0 | 102.0 | |
| GULFPT-BILXI MIS | S | 5.64 | 24.5 | 48.0 | 094.0 | 28.5 | 55.0 | 110.0 | 27.5 | 53.0 | 106.0 | |

APPENDIX G (Continued)

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| HARTFORD CONN. | F | 6.18 | 26.5 | 47.5 | | 32.5 | 57.0 | 099.0 | 27.5 | 47.0 | 075.0 | 1 |
| HARRISBURG PA | S | 6.23 | | | | 27.0 | 54.0 | | 26.0 | 52.0 | | 0 |
| HOUSTON TEXAS | G | 5.52 | 22.0 | 43.0 | 077.0 | 27.0 | 50.0 | 081.0 | 25.5 | 47.0 | 075.0 | |
| HUNTINGTON W VA | F | 5.23 | | | | 31.0 | 47.0 | 093.0 | | 47.0 | 079.0 | |
| IDAHO FLS IDAHO | G | 4.90 | 21.5 | 41.5 | 081.0 | 26.0 | 46.0 | 085.0 | 25.0 | 49.0 | 095.0 | 1 |
| INDIANAPLS IND | F | 4.60 | 24.0 | 43.0 | 080.0 | 26.0 | 46.0 | 079.0 | 26.0 | 41.0 | 069.0 | 1 |
| JACKVLE FLA | G | 6.00 | 27.0 | | 105.0 | 30.0 | 57.0 | 099.0 | 29.0 | 58.0 | 099.0 | |
| JACKSON MISS | F | 5.50 | 24.0 | 47.0 | 094.0 | 28.0 | 54.0 | 108.0 | 27.0 | 52.0 | 104.0 | |
| JOHNSTON PA | S | 6.20 | 24.5 | 48.5 | 106.0 | 27.0 | 53.0 | | 26.0 | 51.0 | | |
| KALAMAZOO MICH | F | 5.03 | 17.5 | | | 26.0 | 45.0 | | 22.0 | 36.5 | | 1 |
| KANSAS CITY MO | F | 4.65 | 18.0 | 32.5 | 084.0 | 27.0 | 50.0 | 091.0 | 23.0 | 43.0 | 083.0 | |
| KANSAS CITY KAN | F | 4.65 | 18.0 | 33.5 | 084.0 | 27.0 | 50.0 | 091.0 | 23.0 | 43.0 | 083.0 | |
| KNOXVILLE TENN | F | 5.32 | 24.0 | | 086.0 | 26.0 | 52.0 | 073.0 | 27.0 | 43.0 | 073.0 | |
| LANSING MICH | F | 5.07 | | | | 27.0 | 44.0 | | 24.0 | 39.0 | | 1 |
| LEXINGTON KY | F | 4.81 | 21.0 | 40.0 | 078.0 | 25.0 | 42.0 | 084.0 | 25.0 | 46.0 | 082.0 | |
| LINCOLN NEB | F | 4.65 | 19.0 | 35.0 | 072.0 | 24.0 | 45.0 | 087.0 | 23.0 | 43.0 | 083.0 | |
| LITTLE ROCK ARK | F | 5.45 | 23.0 | 44.0 | 085.0 | 28.0 | 52.0 | 099.0 | 27.0 | 50.0 | 090.0 | |
| L ANGELES CALIF | S | 5.33 | 19.5 | 38.5 | 088.0 | 28.5 | 56.0 | 112.0 | 24.0 | 47.0 | 096.0 | 1 |
| LOWELL-LAW.MASS | F | 6.18 | 24.5 | 44.0 | 098.0 | 28.5 | 53.0 | 099.0 | 27.0 | 49.0 | 090.0 | 1 |
| LOUISVILLE KY | F | 4.81 | 20.0 | 38.0 | 080.0 | 27.0 | 49.0 | 084.0 | 25.0 | 45.0 | 079.0 | 1 |
| MAN.-NASHUA P.NH | S | 6.18 | 23.5 | 46.0 | | 27.0 | 53.0 | 098.0 | 25.5 | 49.0 | 087.0 | 1 |
| MARQUETTE MICH | F | 4.62 | 20.0 | 38.0 | 072.0 | 23.0 | 43.0 | | 22.0 | 42.0 | | 1 |
| MADISON WISC | F | 4.20 | 16.0 | 36.5 | 081.0 | 27.0 | 46.0 | 082.0 | 28.0 | 39.5 | 075.0 | 1 |
| MEDFORD ORE | P | 5.40 | 25.0 | 49.0 | | 28.0 | 55.0 | 110.0 | 27.0 | 53.0 | | |
| MINN. MINN | F | 4.18 | 16.0 | 28.5 | 068.0 | 26.0 | 43.0 | 080.0 | 20.0 | 35.5 | 067.0 | |

APPENDIX G (Continued)

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MIAMI FLA | F | 6.22 | 25.0 | 49.0 | 088.0 | 31.0 | 59.0 | 116.0 | 31.0 | 61.0 | 109.0 | |
| MOBILE ALA | S | 6.31 | 26.0 | 50.5 | | 28.5 | 55.0 | | 28.5 | 55.0 | | |
| MONTGOMERY ALA | S | 6.31 | 26.0 | 50.5 | 096.0 | 28.5 | 55.0 | | 28.5 | 55.0 | | |
| NASHVILLE TENN | F | 5.35 | 22.0 | 38.0 | 078.0 | 24.0 | 45.0 | 089.0 | 24.0 | 41.0 | 079.0 | |
| NEW BEDFORD MASS | F | 6.18 | 22.0 | 44.0 | 098.0 | 27.0 | 47.0 | | 28.0 | 47.0 | 077.0 | 1 |
| NEW HAVEN CONN. | F | 6.18 | 26.5 | 47.5 | 105.0 | 33.0 | 59.0 | 104.0 | 27.5 | 52.0 | 096.0 | 0 |
| NEW ORLEANS LA | F | 6.22 | 26.0 | 49.0 | 097.0 | 29.0 | 55.0 | 106.0 | 28.0 | 53.0 | 101.0 | |
| N.Y.C. | F | 6.18 | | | | 24.5 | 48.0 | 096.0 | 23.5 | 45.0 | 073.0 | 1 |
| NORTHERN NJ ALL | F | 6.18 | | | | 28.5 | 52.0 | 098.0 | 27.0 | 50.0 | 086.0 | |
| NRFLK-PTS S VA | S | 6.35 | 25.5 | 51.0 | 096.0 | 28.0 | 55.0 | | 28.0 | 55.0 | | 1 |
| OKLAHOMA CITY OK | F | 5.25 | 23.0 | 45.0 | 093.0 | 28.0 | 53.0 | 102.0 | 27.0 | 51.0 | 098.0 | |
| OMAHA NEB | F | 4.65 | 20.0 | 40.0 | 080.0 | 24.0 | 48.0 | 092.0 | 23.0 | 46.0 | 084.0 | |
| PADUCAH KY | F | 4.70 | 22.0 | 35.5 | 078.0 | 25.0 | 44.0 | 080.0 | 25.0 | 42.0 | | |
| PEORIA ILL | G | | 19.5 | 34.5 | 076.0 | 25.0 | 48.0 | 087.0 | 22.0 | 33.0 | 069.0 | 1 |
| PHOENIX ARIZ | F | 5.55 | | | | 27.0 | 47.0 | 089.0 | 25.0 | 45.0 | 087.0 | |
| PITTSBURGH PA | S | 5.40 | 25.5 | 45.5 | 092.0 | 28.0 | 51.0 | 100.0 | 27.0 | 48.5 | 094.0 | |
| PORTLAND ORG | P | 5.40 | 25.0 | 47.0 | 100.0 | 28.5 | 56.0 | 095.0 | 26.0 | 49.0 | 085.0 | 1 |
| PUEBLO COLO | F | 5.35 | 24.0 | 46.0 | | 27.0 | 51.0 | 098.0 | 25.0 | 49.0 | 096.0 | |
| READING PA | S | 6.00 | 25.5 | 49.0 | 094.0 | 28.0 | 54.0 | 104.0 | 27.0 | 51.0 | 098.0 | |
| RENO NEV | S | 5.22 | 23.5 | 47.0 | 094.0 | 28.0 | 55.0 | | 27.0 | 54.0 | | |
| RHODE ISLAND | F | 6.18 | 25.0 | 43.0 | | 29.0 | 54.0 | 099.0 | 27.0 | 45.0 | 081.0 | 1 |
| RICHMOND VA | S | 6.35 | 26.0 | 52.0 | 104.0 | 28.5 | 57.0 | | 27.5 | 54.5 | | |
| ROCHESTER N.Y. | P | 6.00 | 26.0 | 47.0 | 104.0 | 31.0 | 60.0 | | 27.0 | 51.0 | | 1 |
| ROCKFORD ILL | F | 4.13 | | | | 26.0 | 49.0 | 086.0 | 27.0 | 46.0 | 071.0 | |
| ROCK ISLAND ILL | F | 4.41 | 21.0 | 36.0 | 083.0 | 26.0 | 47.0 | 085.0 | 26.0 | 45.0 | 079.0 | 1 |

APPENDIX G (Continued)

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ROANOLE VA | S | 6.35 | 26.5 | 52.0 | 100.0 | 28.0 | 56.0 | | 28.0 | 55.0 | | 1 |
| SAG.BAY C.-MICH | F | 5.10 | 16.0 | 35.0 | | | | | 19.0 | 38.5 | | 1 |
| SAVANNAH GA | S | 6.55 | 25.0 | 49.0 | 100.0 | 29.0 | 57.0 | 103.0 | 28.0 | 55.0 | 099.0 | |
| SALT LAKE CITY U | F | 5.11 | 21.0 | 41.5 | 095.0 | 25.0 | 47.0 | | 25.0 | 49.0 | | |
| SALEM ORG | P | 5.40 | 25.0 | 47.0 | 100.0 | 28.5 | 56.0 | 095.0 | 26.0 | 49.0 | 085.0 | 1 |
| SACRAMNTO CALIF | S | 5.23 | 22.0 | 43.0 | 083.5 | 28.0 | 51.0 | 098.0 | 24.0 | 47.0 | 094.0 | |
| SAN DIEGO CALIF | S | 5.43 | 23.0 | 45.0 | 089.0 | 26.5 | 52.0 | 104.0 | 25.0 | 49.0 | 098.0 | 1 |
| SAN FRAN CALIF | S | 5.40 | 23.5 | 46.0 | 094.0 | 28.5 | 53.0 | 103.0 | 24.5 | 48.0 | 096.0 | |
| SCHNENECTADY NY | F | 5.74 | | | | 29.0 | 57.0 | | 27.0 | 39.0 | 079.0 | 1 |
| SCANTON PA | S | 5.95 | 24.5 | 47.5 | 101.0 | 28.0 | 53.0 | 102.0 | 27.0 | 51.0 | 096.0 | |
| SEATTLE WASH | F | 5.20 | 22.0 | 43.0 | 093.0 | 26.0 | 44.0 | | 26.5 | 44.0 | 085.0 | |
| SHREVEPT LA | F | 6.22 | 27.0 | 50.0 | 098.0 | 29.0 | 55.0 | 104.0 | 29.0 | 54.0 | 099.0 | |
| SIOUX FALLS SD | F | 4.55 | 21.5 | 40.0 | | 23.0 | 45.0 | | 23.0 | 43.0 | | |
| SIOUX CITY IOWA | F | | 20.0 | 41.0 | 078.0 | 24.0 | 47.0 | 086.0 | 23.0 | 45.0 | | |
| SNTA BARBARA CAL | S | 5.33 | 22.5 | 44.5 | 087.0 | 26.0 | 51.0 | 102.0 | 24.5 | 48.0 | 096.0 | |
| SPRINGFLD.MASS | F | 6.18 | 25.0 | 42.0 | 096.0 | 30.5 | 53.0 | 092.0 | 27.0 | 47.0 | 075.0 | 1 |
| SPRINGFLD ILL | G | | 22.0 | 43.0 | 086.0 | 24.0 | 42.0 | 073.0 | 25.0 | 39.0 | 069.0 | 1 |
| SPRINGFLD MO | F | 4.42 | 21.0 | 41.0 | 080.0 | 26.0 | 51.0 | 097.0 | 25.0 | 49.0 | 089.0 | |
| SPOKANE WASH | F | 5.15 | 24.0 | 48.0 | 098.0 | 27.0 | 56.0 | 106.0 | 27.0 | 54.0 | 101.0 | |
| ST. PAUL MINN | F | 4.18 | 16.0 | 28.5 | 068.0 | 23.0 | 41.0 | | 20.0 | 34.5 | | |
| ST. LOUIS MO | F | 4.69 | 22.0 | 33.0 | 078.0 | 30.0 | 49.0 | | | 43.5 | 083.0 | 1 |
| SUPERIOR WISC | F | 4.40 | 20.0 | 39.0 | 086.0 | 24.0 | 47.0 | | 22.0 | 43.0 | | |
| SYRACUSE N.Y. | F | 5.58 | 23.5 | 45.0 | 092.0 | 29.0 | 58.0 | | 27.0 | 43.0 | | 1 |
| TAMPA FLA | G | 6.02 | 27.0 | 47.0 | 101.0 | 29.0 | 49.0 | 094.0 | 29.0 | 45.0 | 090.0 | |
| TOLEDO OHIO | F | 4.76 | | | | 28.0 | 49.0 | | 24.0 | 36.0 | 069.0 | |

APPENDIX G (Continued)

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| TOPEKA KAN | F | 4.65 | 22.0 | | 085.0 | 26.0 | 46.0 | 069.0 | 23.0 | 43.0 | 073.0 |
| TRENTON NJ | F | 6.00 | 24.0 | 44.0 | 092.0 | 29.0 | 54.0 | 098.0 | 27.0 | 48.0 | 086.0 |
| TULSA OK | F | 4.99 | 26.0 | 46.0 | | 30.0 | 52.0 | 099.0 | 29.0 | 49.0 | 092.0 |
| TUCSON ARIZ | F | 5.85 | 22.0 | 42.0 | 090.0 | 28.0 | 53.0 | 102.0 | 26.0 | 51.0 | 097.0 |
| WASHINGTON DC | F | 5.74 | 29.0 | 49.0 | 110.0 | 31.0 | 56.0 | | 28.0 | 49.0 | 098.0 1 |
| WHEELING W VA | F | 5.03 | 22.0 | 42.0 | 080.0 | 28.0 | 49.0 | 087.0 | 26.0 | 47.0 | 069.0 |
| WINONA | G | 3.68 | 18.5 | 36.0 | 072.0 | 21.0 | 41.0 | | 21.0 | 38.0 | |
| WICHITA KAN | F | 4.78 | 23.0 | 42.0 | 087.0 | 27.0 | 48.0 | 091.0 | 25.0 | 46.5 | 090.0 |
| WILMINGTON DEL | F | 6.00 | 25.0 | 45.0 | 104.0 | 26.0 | 48.0 | | 26.0 | 46.0 | 079.0 |
| WINSTON-SALEM NC | G | 6.40 | 25.0 | 49.0 | 094.0 | 28.0 | 55.0 | | 27.0 | 53.0 | 105.0 |
| WORCHESTER MASS | F | 6.18 | 24.0 | 44.0 | 085.0 | 29.0 | 51.0 | 095.0 | 27.5 | 46.0 | 079.0 1 |

Source: Fluid Milk and Cream Report, July 1965

S. All prices shown under state control (both producer and resale). P. Producer prices only controlled by state. F. Federal Milk Marketing Orders. G. A market with no price controls and the prices are for glass containers. If there is no letter at the end of the market name, this is a market without state and/or federal price controls.

Explanation of the coded headings:

A is the dealers' buying price for fluid milk (3.5) per hundred-weight (dollars).

B is the wholesale price for a quart of milk (paper) in cents.

C is the wholesale price for a half gallon of milk (paper) in cents.

D is the wholesale price for restaurant dispenser gallons of milk in cents.

APPENDIX G (Continued)

E is the consumer price for a quart of milk delivered to the home in cents.

F is the consumer price for a half gallon container of milk delivered to the home in cents.

G is the consumer price for a gallon container of milk delivered to the home in cents.

H is the quart price of milk sold out of stores (cents).

I is the half gallon price of milk sold out of stores (cents).

J is the gallon price of milk sold out of stores (cents).