

Regional Competitiveness: A California Perspective

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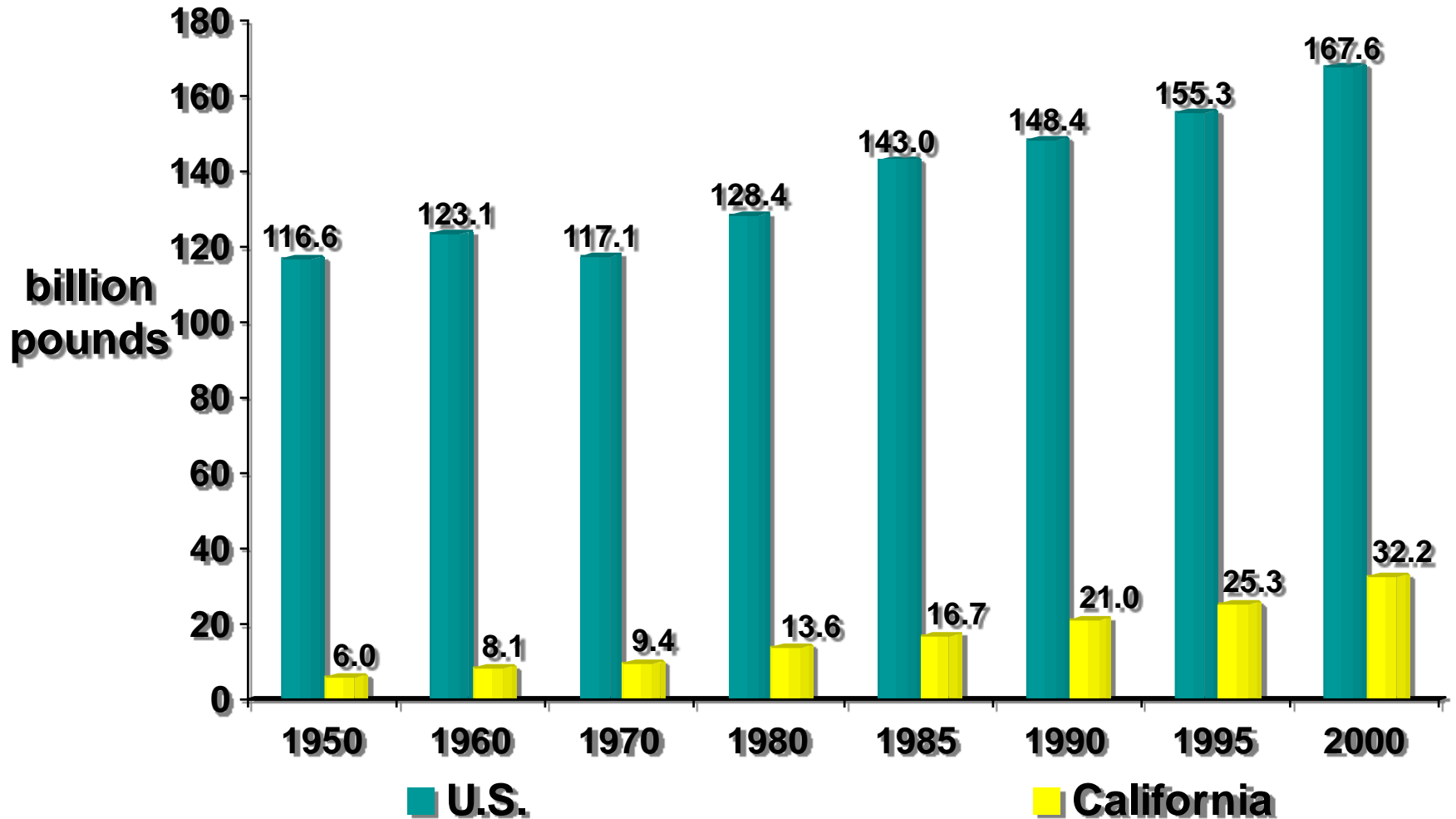
Dept of Agric. & Resource Economics

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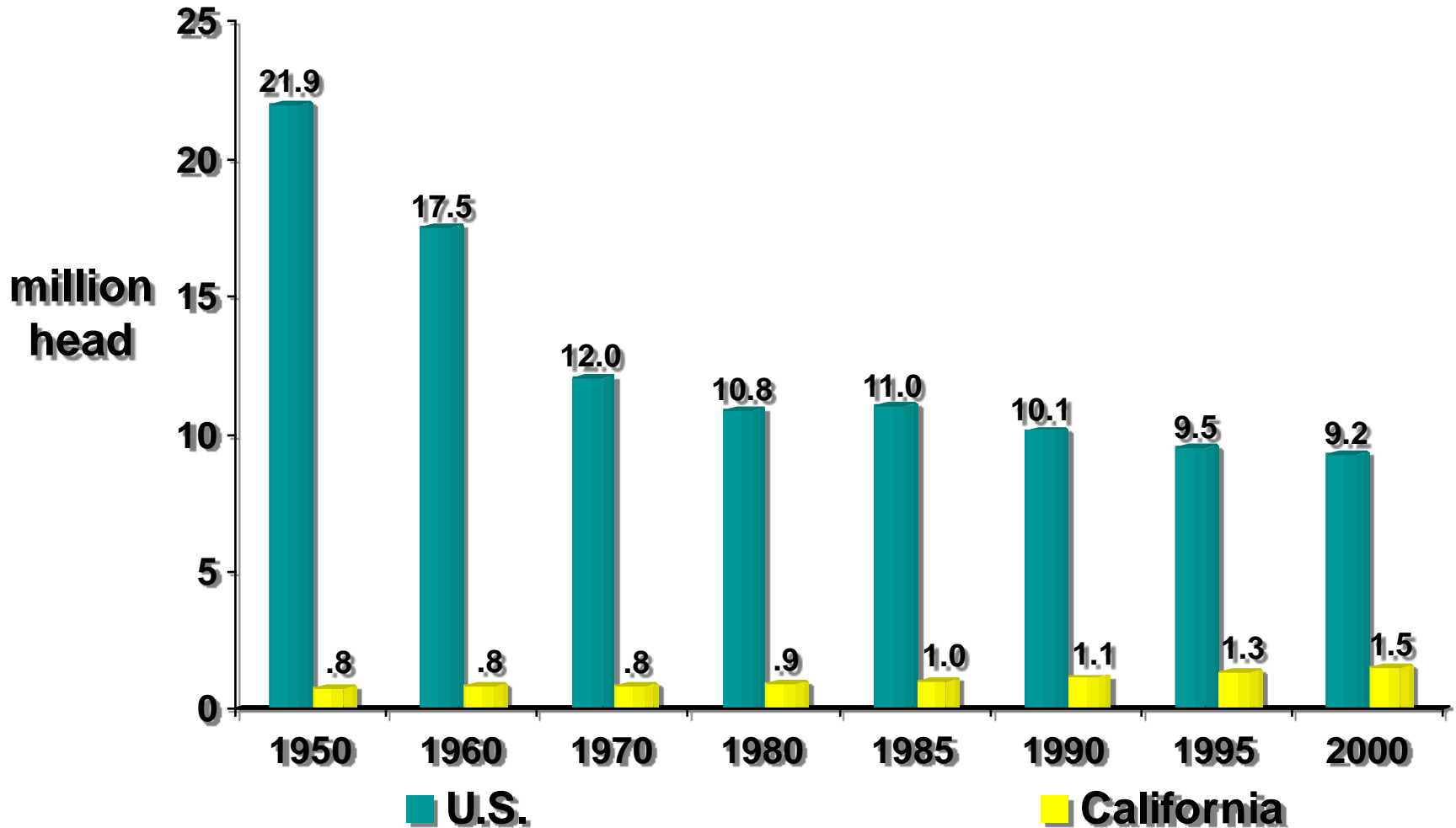
Trends in U.S. & Calif. Milk Production, 1950-2000

	<u>U.S.</u>	<u>California</u>
Milk cows	- 58%	+ 96%
Milk production per cow	+ 243%	+ 175%
Total milk production	+ 44%	+ 438%

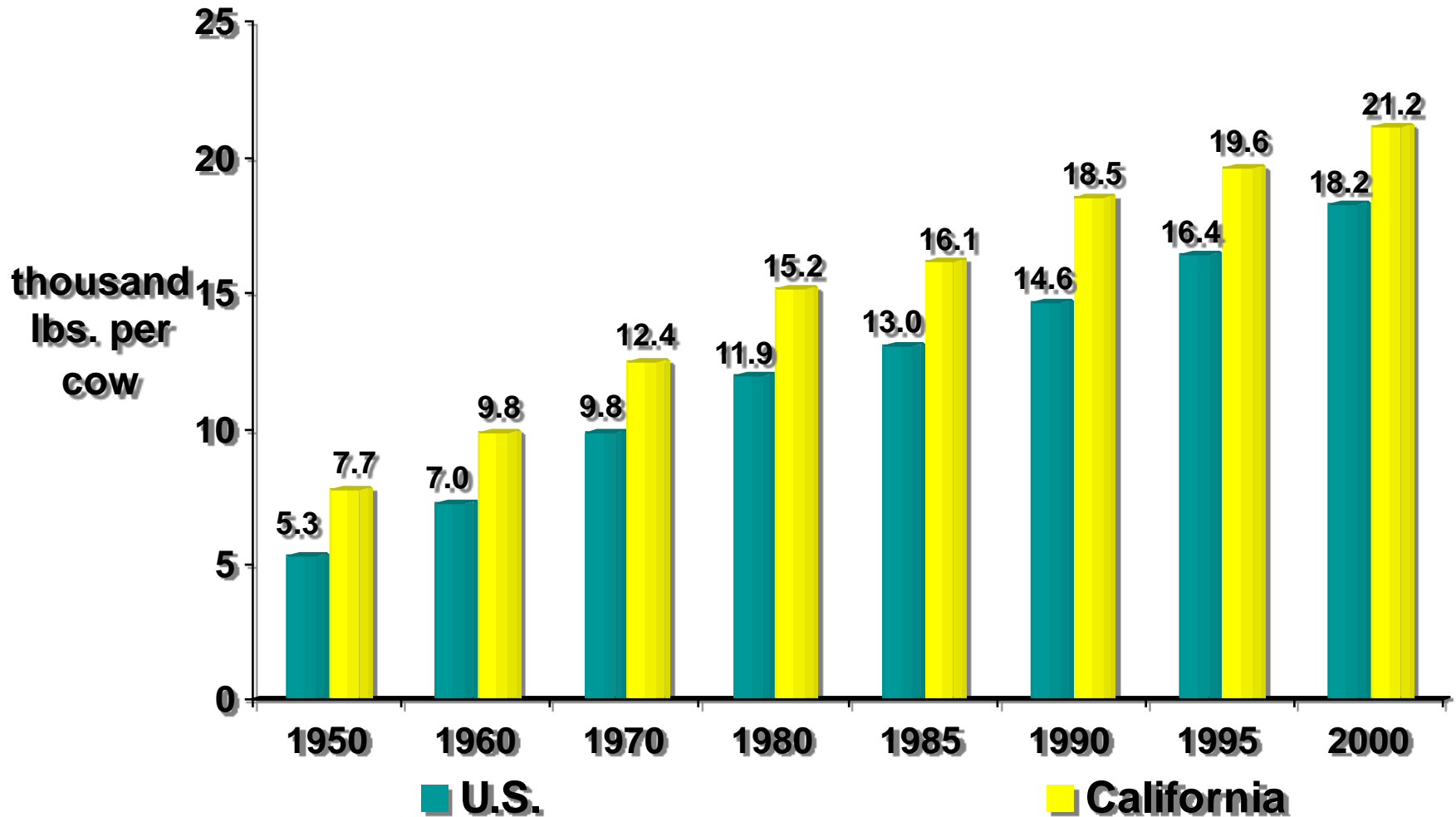
U.S. & Calif. Milk Production, 1950-2000



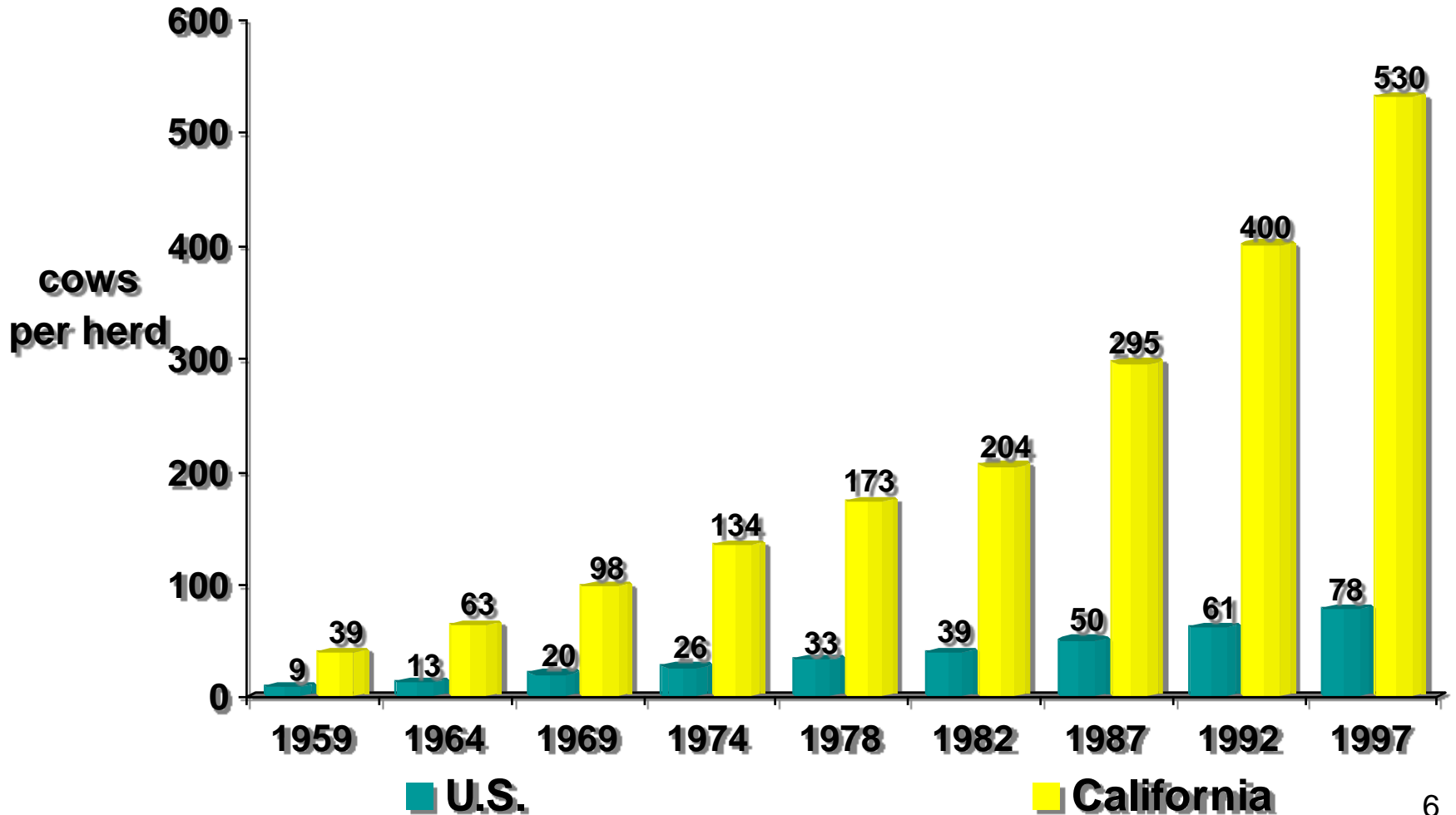
U.S. & Calif. Milk Cows, 1950-2000



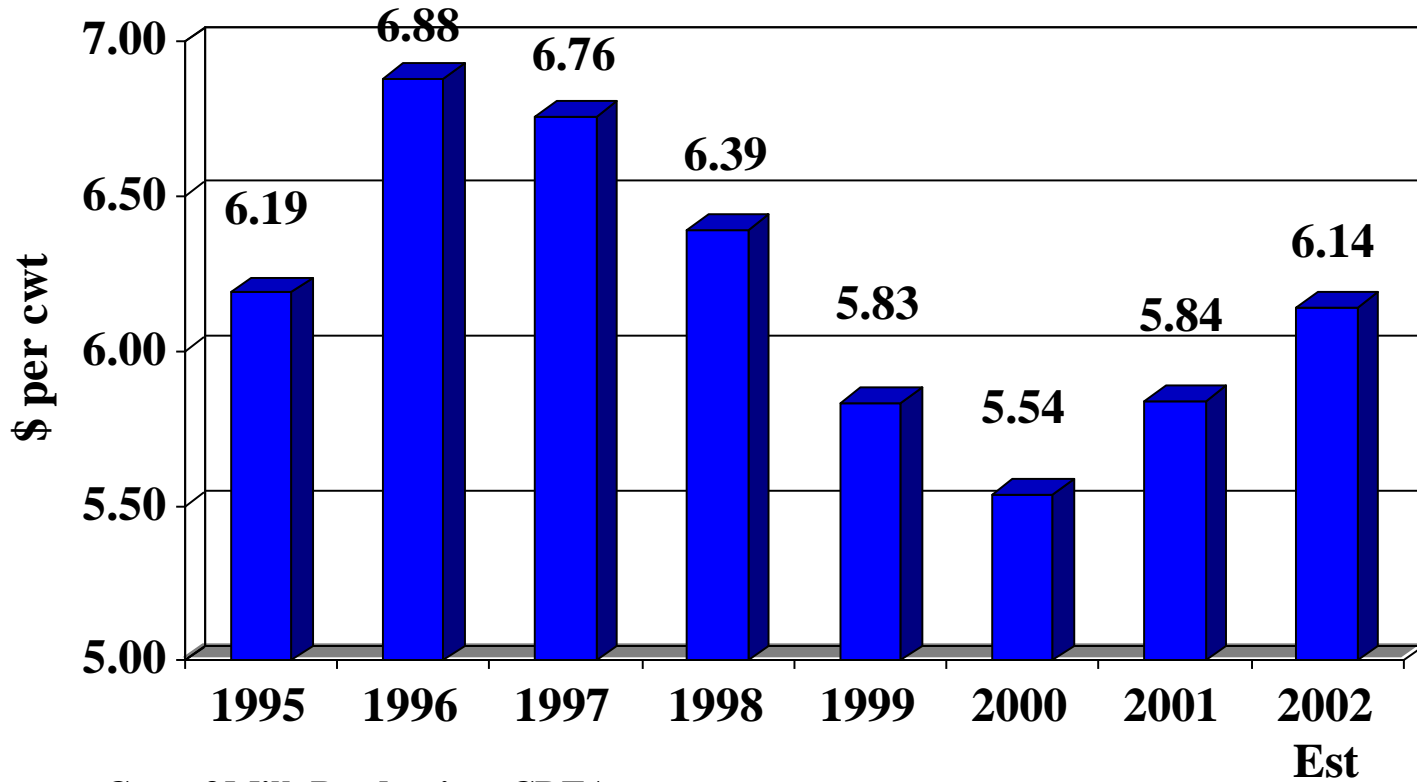
U.S. & Calif. Milk Per Cow, 1950-2000



U.S. & Calif. Average Size Herd, 1959-1997



Total Feed Costs per Hundredweight of Milk



Source: Cost of Milk Production, CDFA

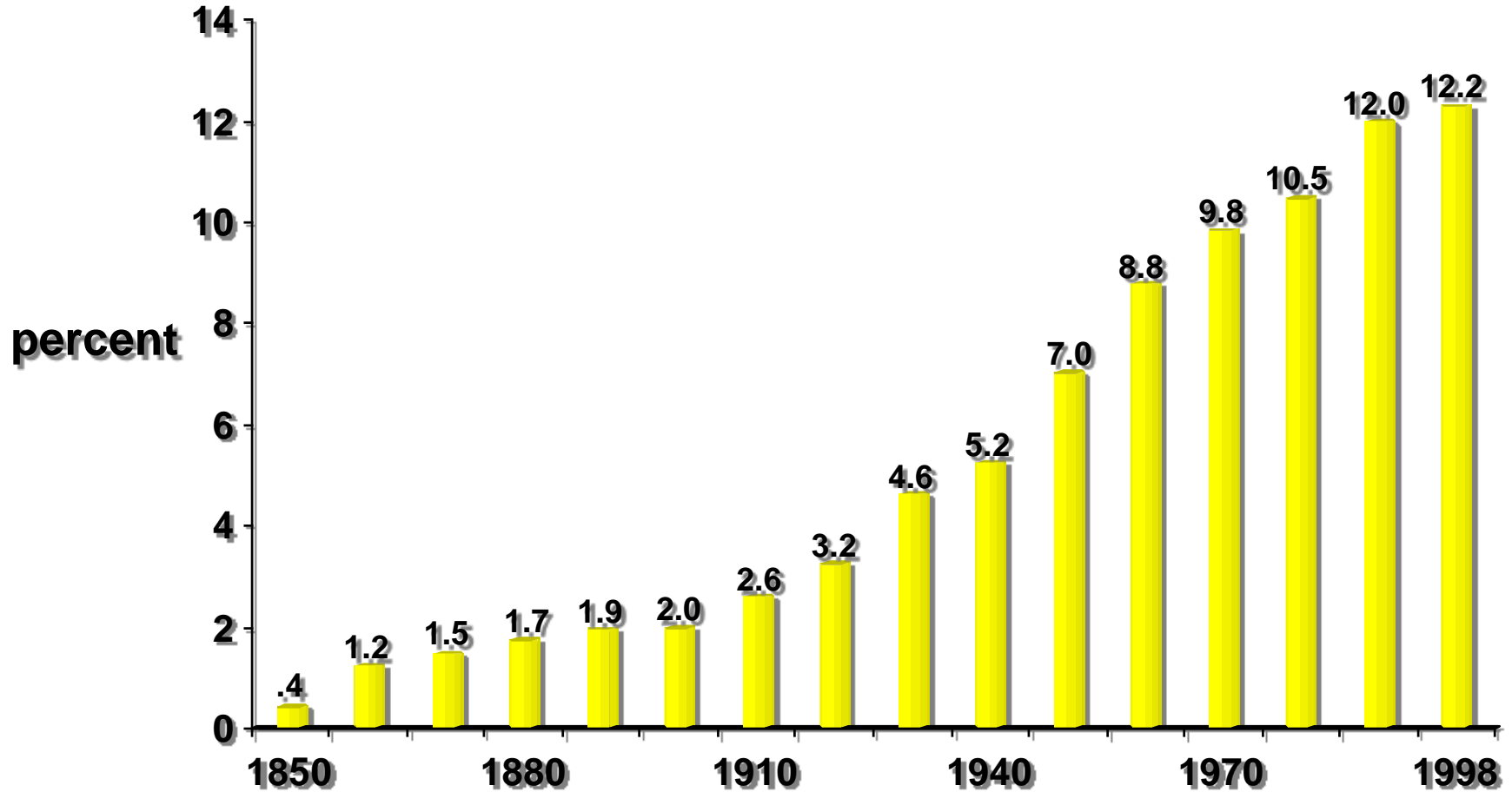
California's Milk Marketing Order

- California was literally kicked out of the FMMO's
- Allows experimentation
- MCP + make allowances
- 5 Classes of milk
- Responsive hearing system
- Quota
- Formulae's responsive to change
- Higher milk standards

Factors of dairy industry growth

- **Favorable climate**
- **Availability of complementary crops**
- **Geographic isolation**
- **Population explosion**
- **Investment timing and technology adoption**

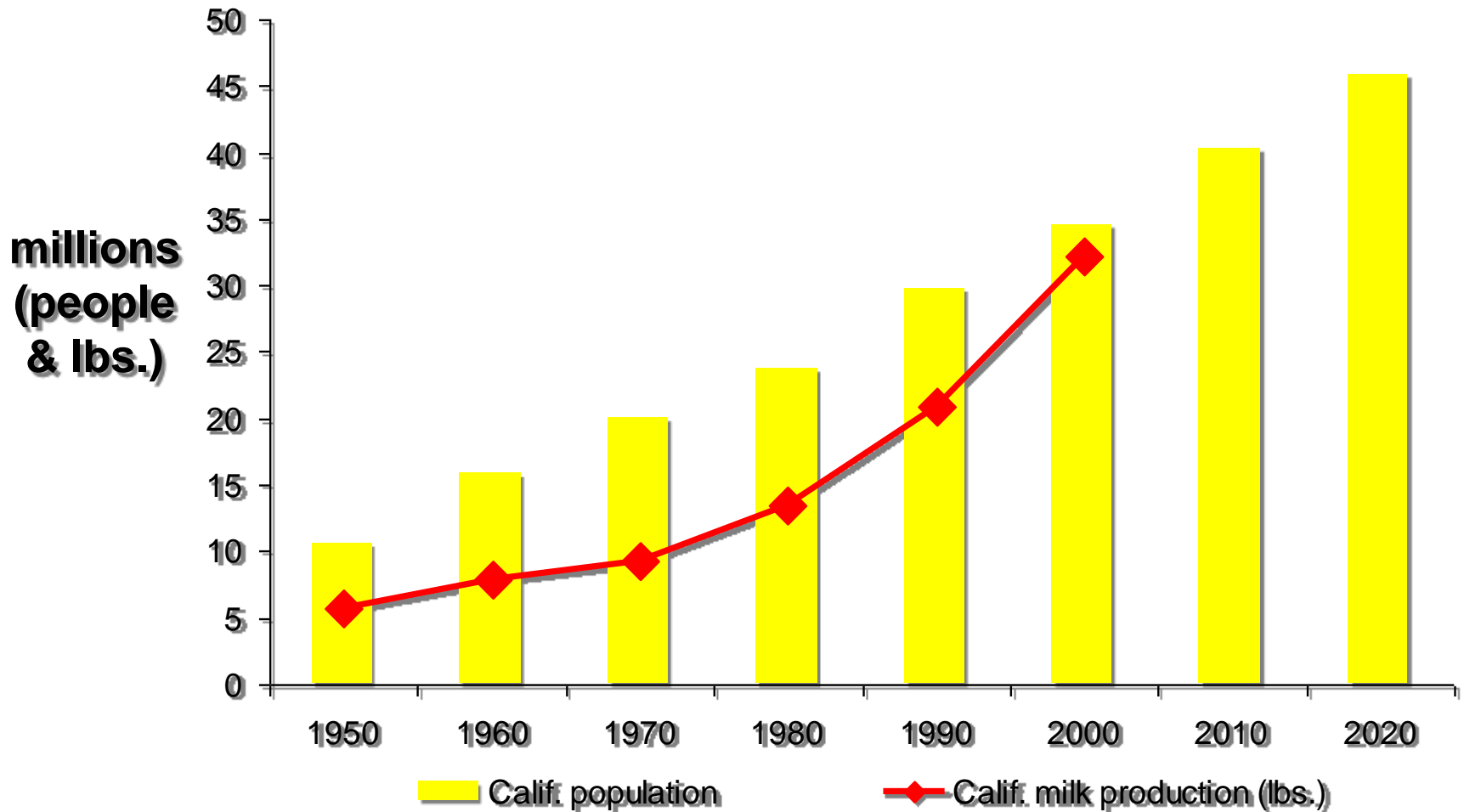
Calif. Population as Percent of U.S. Population



Potential for Growth

- **Climate, availability of complementary crops and geographical isolation will continue to be factors of continuing growth**
- **Continuing technology adoption**
- **Asset fixity and investment timing??**
- **Continued population growth**

Calif. Population Growth & Projections vs. California Milk Production



Some Mitigating Growth Factors

- **Environmental rules and regulations**
- **Water policy**
- **Urban competition and encroachment**