

Queen Cow and the Eau Claire Rule:
Eau Claire as the New Deal Base Point for the Federal Milk Marketing Order

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Abstract

As a part of Franklin Delano Roosevelt's New Deal, Eau Claire quietly was labeled the base point, or the geographical site at which minimum fluid milk prices are set for the federal milking marketing order. This research seeks to identify the reasons why the federal government labeled Eau Claire as a point of national minimum milk prices, both geographically and economically speaking. It will use contemporary governmental documents before and during FDR's administration and New Deal legislation, as well as agricultural yearbooks to analyze and evaluate statistical data on fluid milk. This paper is seminal research in the agricultural history of both Wisconsin and the US, as this topic has yet to be approached by historians in any capacity.

Acknowledgements

To my Bapa, who gave me my first book on the New Deal, and to my Gramma, who told me stories about the old farm.

Introduction

"This outdated, idiot Eau Claire law makes no sense," once said a disappointed Minnesota Governor Jesse Ventura.¹ In the same spirit, Carla Kostka, owner of Castle Rock Organic Farms in Osseo, WI, once asked "Have you ever figured out anything that the federal government does and the reason for doing it?"²

The colloquially-known "Eau Claire Rule" sets Class 1 (beverage) milk prices as a function of distance from Eau Claire, Wisconsin.³ That is, the farther that one travels from Eau Claire, Wisconsin, the more that Class 1 milk prices increase. This phenomenon is shown in the 1975 Price Structure for Milk map by Floyd Lasley (Figure 1). With an added quantitative color scheme, one can see that prices generally increased as one got farther in distance from the tri-state area of Minnesota, western Wisconsin, and northeastern Iowa. For example, at this point, the southernmost tip of Florida had the highest dealer buying prices for milk. The only exceptions to this Eau Claire rule are the area of northern New York and Vermont, as well as the

¹ Coralie Carlson, "House Votes against Dairy Pricing Change; Minnesota Delegates Upset: 'Eau Claire Law Makes No Sense,' Ventura Says. (NEWS)." *Star Tribune* (Minneapolis, MN), 1999, accessed December 5, 2018, [https://www-lexisnexis.com.proxy.uwec.edu/hottopics/lnacademic/?verb=sr&csi=8384&sr=HEADLINE\(House+votes+against+dairy+pricing+change\)%2BAND%2BDATE%2BIS%2B1999](https://www-lexisnexis.com.proxy.uwec.edu/hottopics/lnacademic/?verb=sr&csi=8384&sr=HEADLINE(House+votes+against+dairy+pricing+change)%2BAND%2BDATE%2BIS%2B1999).

² Noah Bierman, "Changes to dairy subsidies may take Boston out of equation." *The Boston Globe* (Boston, MS), 2013, accessed December 5, 2018, <https://www.bostonglobe.com/business/2013/06/08/what-does-boston-have-with-milk-prices-wisconsin-turns-out-lot/AUfXl8MXtCffhdw3PD79bJ/story.html>.

³ Joe Mahon, "Got MILC?: New federal dairy policy benefits district, but are there unintended consequences?" *fedgazette* (Minneapolis, MN), 2004, accessed December 5, 2018, <https://www.minneapolisfed.org/publications/fedgazette/got-milc>.

Central Valley of California.

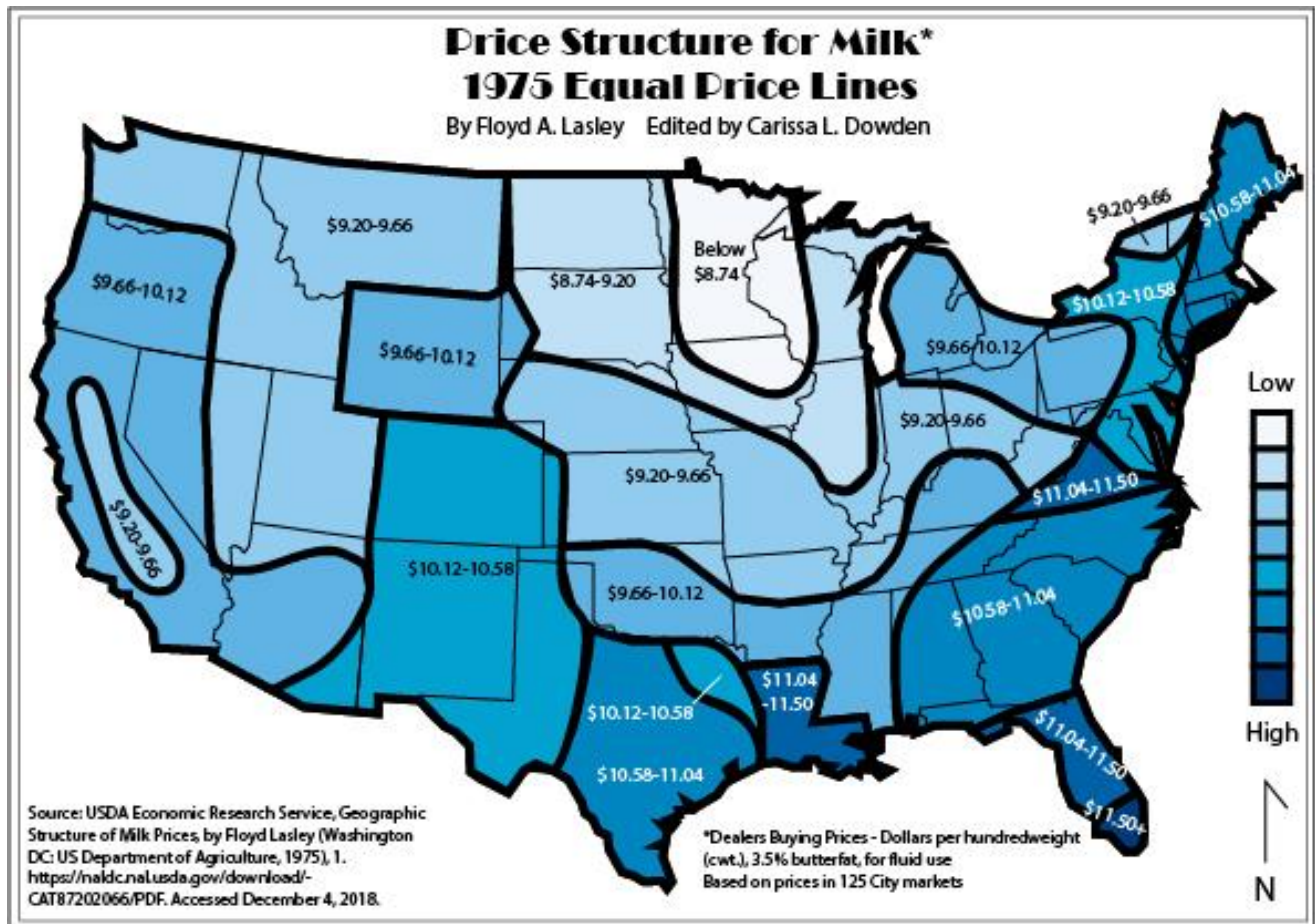


Figure 1. Equal Price Lines of Milk in 1975. USDA Economic Research Service, *Geographic Structure of Milk Prices*, by Floyd Lasley (Washington DC: US Department of Agriculture, 1975), 1. <https://naldc.nal.usda.gov/download/CAT87202066/PDF>. Accessed December 4, 2018.

This rule, according to dairy economist Mark Stephenson when interviewed by John Allen for *On Wisconsin* magazine, is widely accepted due to common belief in the industry that Eau Claire is the “center of the milk universe.”⁴ Backing this belief is the fact that Eau Claire is located in a high producing and low cost area for the dairy industry, leading to greater efficiency

⁴ John Allen, “Milk Matters.” *On Wisconsin* (Madison, WI), Winter 2013, accessed December 5, 2018, <https://onwisconsin.uwalumni.com/features/milk-matters/>.

in the region than elsewhere in the country.⁵ Despite this, there is no governmental document that officially labels Eau Claire as the base point for the federal milk market.

In 1935, Wisconsin easily led the nation in total milk production and engaged in diversified uses of milk, so for these reasons it was chosen as a study area of changes for research on large-scale organization of the dairy industry by R. K. Froker, A. W. Colebank and A. C. Hoffman.⁶ In the post-war era, there was a tendency toward large-scale organization in manufacturing and distribution of dairy products.⁷ While national companies owned less than 5% of the total number of dairy plants in Wisconsin, they handled 23% of total milk produced in state.⁸ National companies in Wisconsin did not produce much of the state's butter, cream, and cheese, but manufactured nearly all condensed and evaporated milk in Wisconsin. Of the state's 329 creameries, national companies operated only 10, and received less than 3% of the total milk manufactured by Wisconsin creameries.⁹ Furthermore, for American-cheese factories, national companies received less than 2% of total milk receipts in that industry. According to Wisconsin Senator and farmer Alexander Wiley at the congressional hearings in 1939 to regulate commerce in agricultural products, most of the milk that he produced on his farm went into cheese factories or creameries.¹⁰ During the summer of 1936, carloads of powdered milk from Europe flooded the

⁵ US Department of Agriculture Economic Research Service, *Geographic Structure of Milk Prices*, by Floyd Lasley. (Washington DC: US Department of Agriculture, 1975), 1. Accessed December 4, 2018. <https://naldc.nal.usda.gov/download/CAT87202066/PDF>.

⁶ US Department of Agriculture, *Large-scale organization in the dairy industry*, Rudolph K. Froker, Colebank, A. W., and Hoffman, A. C. (Washington D.C.: US Department of Agriculture, 1939), 19.

⁷ Ibid., 1.

⁸ Ibid., 19.

⁹ Ibid., 56.

¹⁰ US. Congress, Senate, Committee on Agriculture and Forestry, *To Regulate Commerce in Agricultural Products*. 76th Cong., 1st sess., 1939, 1-427. *ProQuest: Congressional*. Accessed December 5, 2018.

eastern US, so Wisconsin dairy farmers were priced out of the market. This led to milk “flowing onto the swamps up there in Wisconsin,” despite their already lower-than-national-average prices.¹¹ While this happened years after the stock market crash in 1929, this event joined a string of tragedies befalling agricultural producers. “Tremendous price disparity” threatened the entire nation, not just the Upper Midwest and Wisconsin, and “agriculture, in short, was very sick.”¹² “The dilemma of the surpluses,” the title of the letter to the President in the *Yearbook of Agriculture* in 1934, seems to sum up the main issue of agriculture during the Great Depression;¹³ while domestic consumption had exceeded domestic production by an average of one percent in 1929, in 1930, prices began dropping.¹⁴ In 1930, the nation began what would end up being a seven year climactic drought, more severe than any in the previous fifty years.¹⁵ The immediate economic consequences of the drought fell predominantly on farmers, rather than the public, and demand for agricultural products fell as well.¹⁶ The reduced demand forced farmers to increase production just to cover costs, despite plummeting prices, and the industry soon

<https://congressional-proquest-com.proxy.uwec.edu/congressional/docview/t29.d30.hrg-1939-afs-0004?accountid=14790>.

¹¹ Ibid., 68.

¹² US Department of Agriculture, *Yearbook of Agriculture: 1934*. (Washington DC, US Department of Agriculture, 1934), 2.

¹³ Ibid., 1.

¹⁴ US Department of Agriculture, *Yearbook of Agriculture: 1930*. (Washington DC, US Department of Agriculture, 1930), 8.

¹⁵ US Department of Agriculture, *Yearbook of Agriculture: 1931*. (Washington DC, US Department of Agriculture, 1931), 1.

¹⁶ Ibid., 8.

became locked in a continually deepening nadir of economic despair.¹⁷ With these historical factors in mind, this research seeks to illuminate the reasons why, of all places, the federal government assigned Eau Claire as the base point of minimum milk prices.

Historiography

There has not been any formal research done on why Eau Claire was chosen as the basepoint for the Federal Milk Marketing Order, so this paper will address a gap in historical literature. Any sources that concern this very topic are brief and vague, so this paper seeks to fill that void of knowledge. As such, secondary sources found for this paper primarily concern subsets of the topic: agricultural history of Wisconsin, agricultural economics, Depression Era history, geographic perspectives and economic policy history.

Many scholars have written on early state agricultural history in Wisconsin. Edward Janus and Norman K. Risjord both wrote histories on Wisconsin as America's Dairyland. Janus, author of *Creating Dairyland: How Caring for Cows Saved Our Soil, Created Our Landscape, Brought Prosperity to Our State, and Still Shapes Our Way of Life in Wisconsin*, gives a brief history of dairying in Wisconsin, as well as provides interviews with Wisconsin farmers about their experiences in the industry.¹⁸ In Norman K. Risjord's article, "From the Plow to the Cow: William D. Hoard and America's Dairyland," he also discusses early Wisconsin history, but primarily through the story of William Dempster Hoard, a New Yorker who immigrated to

¹⁷ Laurie Winn Carlson. *William J. Spillman and the Birth of Agricultural Economics*. (Columbia: University of Missouri Press, 2005) 1-220. Accessed December 5, 2018. ProQuest Ebook Central. <https://ebookcentral.proquest.com/lib/uwec/reader.action?ppg=1&docID=3570852&tm=1544227708912>.

¹⁸ Edward Janus. *Creating Dairyland: How Caring for Cows Saved Our Soil, Created Our Landscape, Brought Prosperity to Our State, and Still Shapes Our Way of Life in Wisconsin*. (Madison, Wis.: Wisconsin Historical Society Press, 2011) 1-58.

Wisconsin, was instrumental in Wisconsin's transition to dairy farming from wheat, and eventually became its governor.¹⁹

To better understand the nuances of agricultural policy in the 1930s and on, scholars with works in agricultural economic history also had to be consulted. Laurie Winn Carlson wrote *William J. Spillman and the Birth of Agricultural Economics* about the father of agricultural economics, as well as the history of agricultural economics post-World War One and during the Great Depression.²⁰ Eric M. Erba and Andrew M. Novakovic mention some aspects of this in their paper, "The Evolution of Milk Pricing and Government Intervention in Dairy Markets," but offer a milk-centric interpretation of the history of agricultural economics, in addition to explaining the ways that the federal government intervened during crisis.²¹

Geographers primarily explore the topic of agriculture through quantitative change over time and cartographic analyses of geographic distributions of phenomena. John A. Cross, author of "Change in America's Dairyland," explores the impact of dairy farming on the landscape of Wisconsin through cartography.²² Cross and other scholars, like Loyal Durand, also explore patterns of spatial distribution on the landscape, like the regionality of milk and manufactured dairy products in Wisconsin (e.g. Dodge County cheese).²³ Spatial pattern analysis is heavily

¹⁹ Norman K. Risjord. "From the Plow to the Cow: William D. Hoard and America's Dairyland." *The Wisconsin Magazine of History* 88, no. 3 (2005): 40-49. Accessed December 5, 2018. JSTOR. <http://www.jstor.org.proxy.uwec.edu/stable/4637137>.

²⁰ Carlson. *William J. Spillman and the Birth of Agricultural Economics*.

²¹ Eric M. Erba and Andrew M. Novakovic. "The Evolution of Milk Pricing and Government Intervention in Dairy Markets." Ithaca, NY: Cornell Program on Dairy Markets and Policy, 1995.

²² John A. Cross. "Change in America's Dairyland." *Geographical Review*, 91, no. 4 (October 2001), 702-714.

²³ Loyal Durand, Jr. "Cheese Region of Southeastern Wisconsin." *Economic Geography*, 15, no 3 (July 1939) 283-292. Accessed December 6, 2018. Taylor & Francis, Ltd. https://www.jstor.org/stable/141547?seq=1#metadata_info_tab_contents.

applied to the dairy market in geographic study; for example, Durand examines locational factors in Wisconsin source regions of dairy products in order to better understand the causes of geographic shift in markets in his 1947 paper, “Recent Market Orientations of the American Dairy Region.”²⁴ This type of analysis is even found in R. H. Whitbeck’s paper from 1912, “Industries of Wisconsin and their Geographic Basis,” which is a comprehensive geographic and cartographic analysis of Wisconsin’s industries.²⁵

History of Agricultural Problems in Wisconsin

For those coming to Wisconsin in the late 1840s, it was not milk that reigned king, but wheat.²⁶ Called the “wheat error” by Edward Janus, the newly colonized land of Wisconsin was virgin, fertile, and ripe for the taking.²⁷ Wisconsin was a forested region, often called the “Big Woods,” so before attempting to farm the land with wheat, white settlers first had to log the land bare. Wheat was a cash crop, and farmers were now “wheat miners.” Like many other mining operations, the results are often disastrous to the environment; by the 1870s, in addition to settlers clearing of the state’s natural forests, wheat yields in Wisconsin were plummeting as the land became less fertile.²⁸ Disease struck farmers’ crops, and cinch bugs further destroyed potentially successful harvests.²⁹ As Wisconsin land quickly became a liability for farmers, many

²⁴ Loyal Durand. “Recent Market Orientations of the American Dairy Region.” *Economic Geography*, 23, no. 1 (January 1947), 32-40. Accessed December 6, 2018. Taylor & Francis, Ltd.
https://www.jstor.org/stable/141652?seq=1#metadata_info_tab_contents.

²⁵ R. H. Whitbeck. “Industries of Wisconsin and Their Geographic Basis.” *Annals of the Association of American Geographers*, 2 (1912), 55-64. Taylor & Francis, Ltd.
https://www.jstor.org/stable/2560641?seq=1#metadata_info_tab_contents.

²⁶ Janus, 6.

²⁷ Ibid.

²⁸ Janus, 7.

²⁹ Jerry Apps. “Dethroning King Wheat.” *Voyageur : Historical Review of Brown County and Northeast Wisconsin* 26, no. 1 (2009): 49.

sold and/or abandoned their farms for new properties even further west in Minnesota and the Dakotas.³⁰ At this point in agricultural history, farmers knew little of fertilization, crop rotation, and techniques to improve soil fertility.³¹ It would take the gospel of livestock to turn around Wisconsin soils.

In looking for “salvation” for their Wisconsin soil, farmers experimented with various types of animals to add nutrients back into the ground via manure and feed-grass.³² Sheep were the original favorite, as they require little labor or capital in order to turn a profit. In comparison, cows were a considerable amount of work for slow return on the investment. Dairy farming involves long days just to produce prior to preserve the quality of a small product, whereas sheep easily produce their wool whenever and wherever without extensive time taken by the farmer to care for them. Originally, cattle were brought to Wisconsin by French Canadian traders for meat consumption, not milk.³³ Even then, the meat from hunted deer and buffalo was often considered superior to beef. Soil exhaustion and declining wheat yields in southeastern Wisconsin by the 1860s invited many dairy advocates, mainly from New York, where they had replaced wheat agriculture with dairy two decades previous.³⁴ Yankee emigrants brought English milk cows to Wisconsin territory, and it became more common for farmers to keep a cow or two to produce milk seasonally for their family.

³⁰ Apps, 8.

³¹ Apps, 48.

³² Janus, 9.

³³ Risjord, 42.

³⁴ Ibid., 43.

Wheat farmers had difficulty switching to dairy farming; men often couldn't be caught dead milking the cows at the back of the horse barn.³⁵ Taking care of the cows, in addition to work associated with keeping them, was considered women's work. However, the milk produced by the single or couple cows exceeded the amount consumed by a family, so women's dairy work became valuable supplementary income.³⁶ This developing surplus couldn't be ignored much longer, and soon, it became common practice to convert excess milk into low quality butter for trade. With increasing profit from dairy cows, Wisconsin slowly began transitioning into the Dairy State.³⁷ In 1870, Wisconsin had ninety cheese factories. By 1905, that number had increased to 1518, and in 1922, to 2807. Former New Yorker, William Dempster, the editor of *Hoard's Dairyman*, aptly said "Queen Cow dethroned King Wheat."³⁸ By the early 1920s, Wisconsin was America's Dairyland; "In a mere sixty years Wisconsin had risen from a state of economic and moral depletion to become a national icon of wholesomeness and rural rectitude."³⁹ In 1919, more than 63% of total cheese produced in United States was from Wisconsin, and in 1923, 55% of Wisconsin farm income derived from dairying.⁴⁰ After WWI, farm prices slumped, "as economic recovery in Europe lessened the demand for US farm products," leading to producer struggles during the 1920s. During the decade, farm journals and organizations had been advising farmers to control their production. Crop withholding

³⁵ Apps, 49.

³⁶ Janus, 10-11.

³⁷ Apps, 49.

³⁸ Ibid., 50.

³⁹ Janus, 47.

⁴⁰ Ibid.

movements were organized around the theory that speculative manipulation caused price declines, but these attempts were unsuccessful in increasing prices. Furthermore, the decline in the farmers' position in the US beginning in the summer of 1920 was impacted by the nation's transition from a debtor to a creditor nation after WWI.⁴¹ Advocates were calling for government intervention throughout the 1920s, but no steps were taken, even when farm prices fell more than fifty percent between 1929 and 1932 at the beginning of the Depression.⁴² Farm commodity programs were a product of the Great Depression and Franklin Delano Roosevelt's administration.⁴³ Nationally, agricultural prices declined the most, as a trade depression caused those prices to fall sooner and lower than the prices of other goods.⁴⁴ Production in agriculture wasn't easily or quickly adjusted to market changes, and because production continued to overshoot demand, agriculture was continually penalized.⁴⁵ The dairy industry could only re-adjust slowly to the changing market conditions, as cows must be milked every day, so production also remained high throughout extended periods of low demand.⁴⁶ Short-term solutions to this issue were reducing costs and finding supplementary income, but long-term solutions were culling low-producing animals, and decreasing the proportion of heifers in herds. Cows must be milked, or they can become sick, so many farmers took the long-term option and

⁴¹ USDA Economic Research Service. *History of Agricultural Price-Support and Adjustment Programs, 1933-1984*. (Washington DC: US Department of Agriculture, 1985), 1.

⁴² Ibid.

⁴³ US Library of Congress, Congressional Research Service, *Farm Commodity Legislation: Chronology, 1933-2002*, 2002, CRS-1.

⁴⁴ US Department of Agriculture, *Yearbook of Agriculture: 1932*. (Washington DC, US Department of Agriculture, 1932), 10.

⁴⁵ Ibid., 11.

⁴⁶ USDA. *Yearbook of Agriculture: 1932*. 31.

cut their losses in the dairy industry. In 1933, Congress passed the Agricultural Adjustment Act, of which mandatory USDA price supports for specific commodities were enacted (milk, however, was not one of these commodities).⁴⁷ In 1938, the Agricultural Adjustment Act was further amended to include butter for price support (this is considered part of permanent agriculture legislation), and in 1941, the Steagall Amendment included milk and butterfat as non-basic commodities. Despite these federal support programs, as said by the Henry A. Wallace, Secretary of Agriculture in 1934, “the depression robbed farmers of their independence, formerly the chief attraction of country life, and thereby weakened the foundations of our whole economic system.”⁴⁸

Terms

There are four classes of milk defined by the US Department of Agriculture: Class I, or fluid milk, Class II, or milk used for soft products like cottage cheese and cream, Class III, or milk used for hard cheeses and cream cheese, and Class IV, or milk used for butter and dry products, primarily nonfat dry milk.⁴⁹ Class I, fluid-grade milk, is also often referred to as Grade A milk or beverage milk.⁵⁰ Grade A milk is the highest quality grade of milk for health requirements, and is the only grade of fluid-milk sold for drinkable consumption.⁵¹ Grade B milk

⁴⁷ *Farm Commodity Legislation*, CRS-2.

⁴⁸ USDA, *Yearbook of Agriculture: 1934*. 2.

⁴⁹ US Library of Congress, Congressional Research Service. *Federal Milk Marketing Orders: An Overview*, 2017, 6.

⁵⁰ USDA Economic Research Service. “The U.S. Dairy Pricing System.” Alden Manchester, Mark Weimar, and Richard Fallert. Washington DC: USDA, 1994. 1. Accessed December 1, 2018. <https://pdfs.semanticscholar.org/2a89/1f6bf8d72cac81e05a9ba81264aabe04145e.pdf>.

⁵¹ CRS, *Federal Milk Marketing Orders*. 5.

is produced under conditions acceptable only for certain manufactured products (e.g. cheeses), and its prices are not regulated by Federal Milk Marketing Orders.

As designated by the Congressional Research Service, FMMOs are geographically defined fluid-milk demand areas.⁵² Introduced in the 1930s, FMMOs set guidelines under which dairy processors purchase fresh milk from dairy farmers in a marketing area.⁵³ In these guidelines, processors are referred to as “handlers,” and farmers are “producers.” A marketing area is a geographic area where handlers typically compete for packaged fluid milk sales. By establishing marketing areas, stable marketing relationships between producers and handlers are fostered, and consumers have greater access to fresh milk. FMMOs also assure producers of a reasonable minimum price for their fluid-grade milk throughout the year.⁵⁴ The concept of a pricing system was created almost from the beginning of commercial milk production after the Civil War;⁵⁵ Seasonal fluctuations in milk supply and its use led to short-term instability in prices and long-term uncertainty. Producers’ uncertainty in addition to these unstable prices drove substantial numbers of producers out of business, leading to even greater swings in supply and pricing. As milk is not an annual crop, it cannot be subject to the same pricing standards of annually harvested commodities.⁵⁶ Milk as a commodity is subject to unique market conditions: fluid milk is highly perishable, is harvested continuously, and tends to have surplus and deficits

⁵² CRS, *Federal Milk Marketing Orders*. Summary.

⁵³ USDA Agricultural Marketing Service, “Federal Milk Marketing Orders.” Accessed November 11, 2018. <https://www.ams.usda.gov/rules-regulations/moa/dairy>.

⁵⁴ Manchester, Weimar, and Fallert, 1.

⁵⁵ *Ibid.*, 2.

⁵⁶ Manchester, Weimar, and Fallert, 3.

seasonally.⁵⁷ Milk consumption is not very sensitive to price changes and can be manufactured into other forms easily in event of surplus, but is part of a high fixed-cost industry with many long-term investments. Because of these factors, the dairy industry rests in a difficult position with continuous opportunities for instability.

FMMOs are linked with the Federal Price Support Program (FPSP).⁵⁸ The support price, which is determined annually under provisions of the Agricultural Act of 1949, underlies the entire price structure for bulk milk sold by producers to either handlers or through cooperatives.⁵⁹ FPSP also sets prices to purchase dairy products from manufacturers to return to producers.⁶⁰ From this, wholesale prices for manufactured dairy products are set. Prices for manufacturing-grade milk (Class III milk) were set equal to Minnesota prices minus Wisconsin prices (M-W), determined via a monthly survey of prices from areas where most manufacturing-grade milk is produced. Class II milk was then set equal to M-W plus an average fifteen cents per 100 pounds of fluid-milk (hundredweight).⁶¹ Class I milk was also set equal to M-W plus fixed differentials. The differential in 1994 was \$1.04 per hundredweight,⁶² but as of November 21, 2018, was \$1.80 per hundredweight.⁶³ The M-W price was replaced by the Basic Formula Price system in 1995, but this was still calculated using manufacturing grade milk prices in

⁵⁷ CRS, *Federal Milk Marketing Orders*. 1.

⁵⁸ CRS, *Federal Milk Marketing Orders*, 3.

⁵⁹ Manchester, Weimar, and Fallert, 4.

⁶⁰ *Ibid.*, 5.

⁶¹ Manchester, Weimar, and Fallert, 5.

⁶² *Ibid.*

⁶³ USDA Agricultural Marketing Service. “Advanced Announcement of Class Prices and Related Data for December 2018.” Accessed online December 15, 2018. <http://www.fmma30.com/ClassPrice/2018/AdvancePrice--12-18.pdf>.

Minnesota and Wisconsin from both the prior and current month.⁶⁴ This pricing system is shown as a flow-chart in Figure 2 from the USDA document, “The U.S. Dairy Pricing System.”

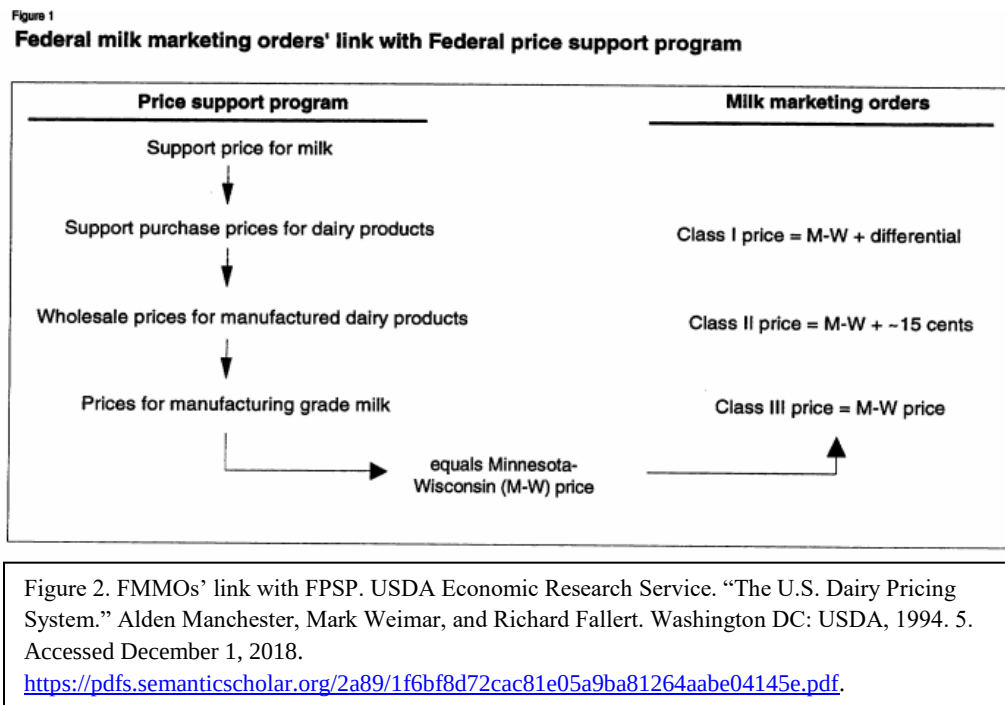


Figure 3 is a simpler version of the above chart from the same USDA document:

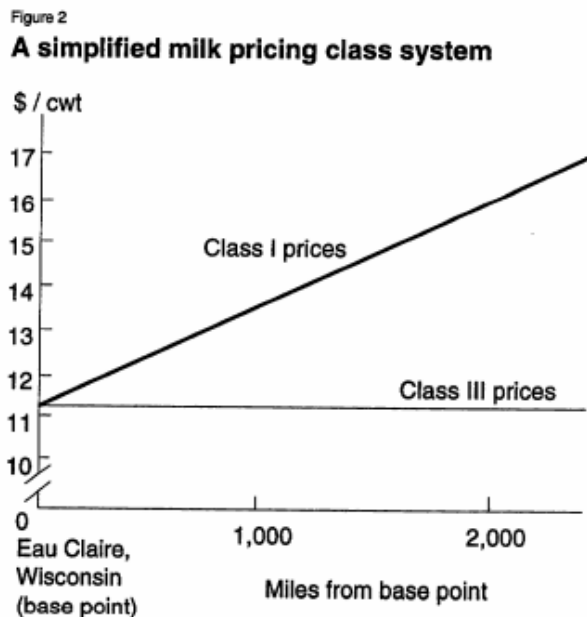


Figure 3. The Eau Claire Rule. USDA Economic Research Service. “The U.S. Dairy Pricing System.” Alden Manchester, Mark Weimar, and Richard Fallert. Washington DC: USDA, 1994. 5. Accessed December 1, 2018.
<https://pdfs.semanticscholar.org/2a89/1f6bf8d72cac81e05a9ba81264aabe04145e.pdf>.

⁶⁴American Dairy Products Institute. “Milk Pricing 101.” Accessed December 2, 2018.
<https://www.adpi.org/Portals/0/Academy/Milk%20Pricing%20101.pdf>.

Geographically speaking, while Class III prices remain the same 5 miles from the base point to 1000 miles from base point, Class I prices increase with distance from Eau Claire.

A base point is the geographic minimum site/mean center for milk pricing in a FMMO.⁶⁵ The federal order base point is Eau Claire, Wisconsin. Northern Wisconsin has the largest supply of Grade A milk above local needs for Class I milk. Because of this surplus, theoretically, anywhere in the United States could be supplied with Wisconsin milk for the base point price plus transportation costs. This provides geographic reason for the Eau Claire Rule.

USDA Publication Analysis

The USDA was established in 1862, and from 1862 to 1893, the newly formed department issued its own annual one volume report.⁶⁶ In the year of 1894, the annual report expanded into two volumes: one for executive reports (known as the Secretary's Report to the President) and the other the Yearbook of Agriculture. The executive reports often included "This Year in Agriculture," and offered a comprehensive snapshot of the successes and failures experienced by farmers nationwide during the previous year. This section was included until 1936, when the series changed and instead focused on single topic per volume, increasingly addressing American consumers rather than the farmer. In 1992, Congress ended funding for the Yearbooks of Agriculture, briefly replacing it with the "Agricultural Fact Book" in 1996, but this too was cancelled in 2002. Because of this, this paper will be primarily analyzing the data in Yearbooks from 1930 to 1935, and utilizing data from other governmental sources, such as USDA's Census of Agriculture Historical Archive.

⁶⁵ American Dairy Products Institute, 5.

⁶⁶ Victory Horticultural Group. "Department of Agriculture Yearbooks." <http://www.save-seeds.org/library/holdings/yoa.html> (Accessed December 2, 2018).

Using the Yearbooks of Agriculture as a glimpse into contemporary American agricultural life, analysis starts with the Secretary of Agriculture's report to the President. Drought during 1929 reduced crop yield significantly across the entire country, impacting dairy production in the fall.⁶⁷ In 1929, the position of the dairy industry was apparently favorable, though there was a marked price drop from the previous year due to a surplus from the warm season. At this point, production was outpaced by consumption, and the Secretary predicted increased foreign competition in dairy products. The average price per head of milk cow was \$94.10 in 1929, increasing rapidly from an average price of \$57.87 just in 1925.⁶⁸ The price of retail quart of milk in Milwaukee was an average of 11.25 cents in 1929, and 12 cents in Minneapolis, but the lowest recorded price was in Salt Lake City at an average of 10 cents.⁶⁹

In 1932, the Secretary's letter immediately discussed the climatic drought of 1930, which was the worst drought in the country recorded up to that point.⁷⁰ The dairy industry became unstable due to a drop in demand in late 1929 due to the economic depression.⁷¹ However, at this point, the more specialized dairy regions (e.g. the Upper Midwest), were in better shape than other areas, especially places that were more affected by the drought.⁷² The average price per head of milk cow dropped to an average of \$74.16.⁷³ The retail price of a quart of milk was 11.5

⁶⁷ USDA. *Yearbook of Agriculture: 1930.*, 8.

⁶⁸ *Ibid.*, 903.

⁶⁹ *Ibid.*, 909.

⁷⁰ USDA *Yearbook of Agriculture: 1931*, 1.

⁷¹ *Ibid.*, 15.

⁷² *Ibid.*, 16.

⁷³ USDA *Yearbook of Agriculture: 1931*, 908.

cents in Milwaukee and 11 cents in Minneapolis, the lowest value in city prices.⁷⁴ The following year, the Secretary was increasingly worried about the increasing agricultural surpluses, and with European recovery outpacing recovery in the US, exporting these surpluses was challenging to farmers.⁷⁵ Prices in the dairy industry continued to decline sharply, in addition to farmers' incomes.⁷⁶ As mentioned previously, the dairy industry readjusts to changes in the market very slowly, and solutions to low prices range from attaining supplementary income to culling low-producing cows. As a result, value per milk cow dropped to \$51.28.⁷⁷ Consequently, the price per quart of milk in Milwaukee dropped to 9.75 cents, and 10 cents in Minneapolis, the lowest values in the country.⁷⁸

The Yearbook of Agriculture in 1932 took a different tone than previous publications; in this publication, the authors sought to show what the depression had done to agriculture nationwide, as well as to show how farmers were adapting.⁷⁹ Production of butter, cheese, evaporated milk was down 1.1% from 1931 to 1932, and dairy-product prices were 24% lower in the first eight months of 1932 than in the first eight months of 1931.⁸⁰ The average price per head for dairy cows was \$36.95,⁸¹ and the retail price of milk decreased to 8.1 cents per quart in

⁷⁴ Ibid., 915.

⁷⁵ USDA, *Yearbook of Agriculture: 1932*. 4-5.

⁷⁶ Ibid., 31.

⁷⁷ Ibid., 830.

⁷⁸ Ibid., 835.

⁷⁹ USDA, *Yearbook of Agriculture: 1933* (Washington DC, US Department of Agriculture, 1933), iii.

⁸⁰ Ibid., 11.

⁸¹ USDA, *Yearbook of Agriculture: 1933*, 639.

Minneapolis, the lowest in the country, and Milwaukee at 8.3 cents.⁸² The tone of the 1934 Yearbook is increasingly pessimistic, bemoaning the days when production only occasionally overshot demand and foreign markets had demand for American goods, but the also mentions that the new FDR administration's guidance have improved agricultural conditions immensely.⁸³ The value per milk cow head, however, dropped to a US average of \$27.09 (\$28 in Wisconsin),⁸⁴ and the price of a quart of milk was 7.1 cents in Minneapolis and 8.4 cents in Milwaukee.⁸⁵ Lastly, in 1935, the Secretary was increasingly positive, saying that the Agricultural Adjustment Act of 1933 was so far successful to adjusting production to demand.⁸⁶ The value per head of milk cows jumped to \$30.38 on average nationally (\$33 in Wisconsin),⁸⁷ and the retail price per quart of milk rose to 9.3 cents in Milwaukee and 9.2 in Minneapolis.⁸⁸ While the Agricultural Adjustment Act stabilized the exponentially increasing surplus in the early 1930s, slow-to-adjust dairy was still impacted by low prices. Wisconsin and Minnesota, being a part of high-producing areas in the United States and being more prone to surplus, were plagued by lower prices than the wider nation, as shown by the increasingly low retail milk prices. Mr. Weis, a Michigander farmer, said in 1939 that a farmer received \$3.80 per hundredweight of milk in 1918, the milk-wagon driver \$90 per month, and the customer only paid 10 cents per quart.⁸⁹ In 1933, that same

⁸² Ibid., 645.

⁸³ USDA. *Yearbook of Agriculture* 1934. 1.

⁸⁴ Ibid., 626.

⁸⁵ Ibid., 637.

⁸⁶ USDA. *Yearbook of Agriculture: 1935*. 1.

⁸⁷ Ibid., 598.

⁸⁸ Ibid., 617.

⁸⁹ US. Congress, Senate, Committee on Agriculture and Forestry, *To Regulate Commerce in Agricultural Products*. 76th Cong., 1st sess., 1939, 1-427.

farmer was only receiving \$1.85 per hundredweight, the wagon driver \$224 per month, and the customer paid 12 cents per quart. These lower prices were based on surplus, and the Eau Claire Rule was based on this upper Midwest propensity to efficiently overproduce dairy products.

However, a different pattern is shown regarding the collection of fluid milk receipt data from Boston, Chicago, New York, and Philadelphia from 1930-1935; Table 1 shows the collection of states' fluid-milk receipts from the markets of Boston, Chicago, New York, and Philadelphia during the years of 1930 through 1935. While individual states had smaller markets, they often sent their products (40-quart units of fluid-milk in this case) to larger, typically international markets. For example, many Wisconsin farmers had their milk sold at the Chicago market. The stacked bars show each state's total receipts per year. New York easily led in national receipts, followed by Pennsylvania in second and Wisconsin in third. Arguably, Wisconsin's tendency in producing milk was not in fluid-milk/beverage milk, but instead in cheese; the average amount of Wisconsin cheese produced in factories between 1930 and 1934 was 241,669,000 pounds, 270,851,000 pounds in 1935 and 270,193,000 pounds in 1936.⁹⁰

⁹⁰ USDA. *Yearbook of Agriculture: 1938*. (Washington DC: US Department of Agriculture), 361.

Fluid Milk Receipts at Boston, Chicago, New York, and Philadelphia, 1930-1935

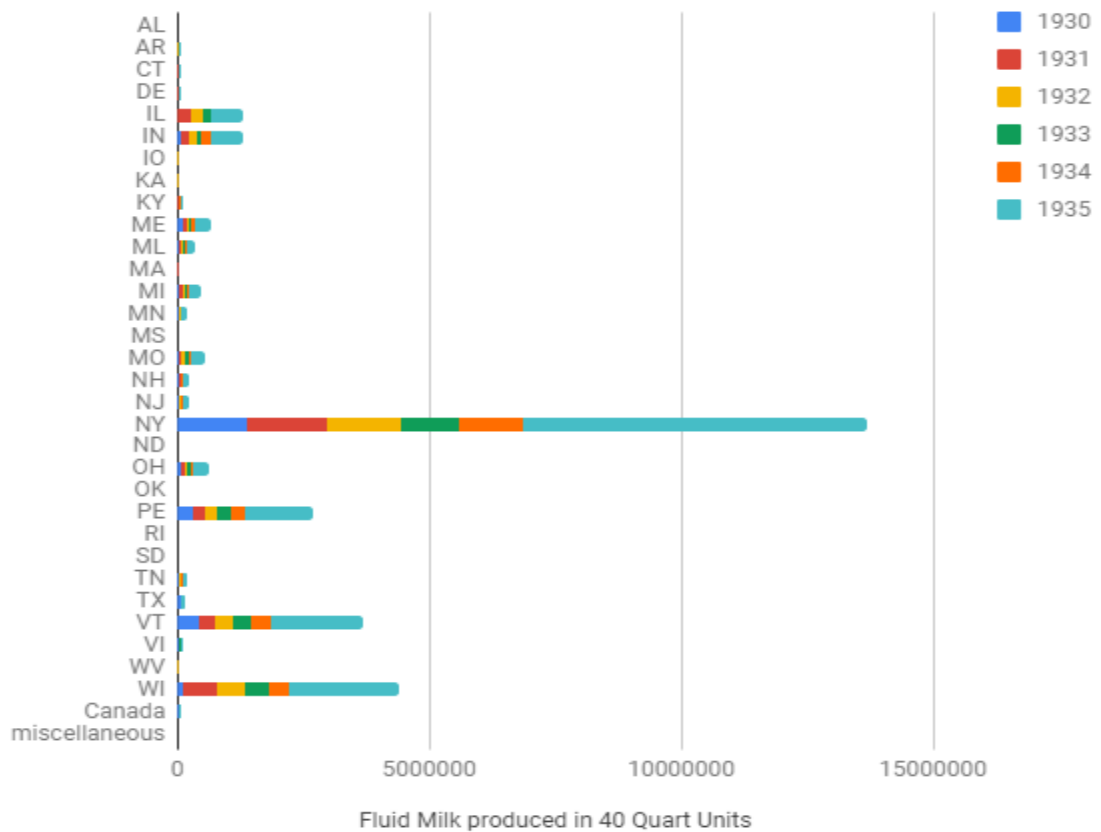


Table 1: Cumulative Fluid-milk receipts received at Boston, Chicago, New York and Philadelphia by state, from 1930 to 1935.

USDA. *Yearbook of Agriculture: 1932, 1935*. (Washington DC: US Department of Agriculture, 1932, 1935)

Looking at the Agricultural Census of the United States in 1940, the supposed center of the milk surplus in Eau Claire can be directly compared to other counties in Wisconsin.⁹¹ The counties that are contiguous to the county of Eau Claire are Buffalo, Chippewa, Clark, Dunn, Jackson, Pepin, and Trempealeau. Putting together a miniature case-study, if Eau Claire is at the

⁹¹ USDA, "Cows milked, and milk produced in 1929 and 1939; Dairy products sold and butter churned, 1939; and cows kept for milk on April 1, 1940; by number of cows milked, by counties." *Census of Agriculture Historical Archive*. Accessed December 5, 2018. <http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf>.

heart of dairy surplus in the Upper Midwest, then theoretically, the counties will have like or slightly less production counts.

TABLE 19.—COWS MILKED AND MILK PRODUCED, 1939 AND 1929; DAIRY PRODUCTS SOLD AND BUTTER CHURNED, 1939; AND COWS KEPT FOR MILK APR. 1, 1940; BY NUMBER OF COWS MILKED, BY COUNTIES—Continued

(For explanation and definitions, see text)

STATE OR COUNTY AND NUMBER OF COWS MILKED	COWS MILKED				MILK PRODUCED (GALLONS)		DAIRY PRODUCTS SOLD, 1939							BUTTER CHURNED ON FARMS, 1939		COWS KEPT MAINLY FOR MILK PRODUCTION, APR. 1, 1940	
	Farms reporting		Number		1939	1929	Farms reporting	Whole milk sold		Cream sold		Butter sold		Farms reporting	Pounds	Farms reporting	Number
	1939	1929	1939	1929				Farms re- porting	Gallons	Farms reporting	Pounds of butterfat	Farms re- porting	Pounds				
WISCONSIN																	
Total	187,407	168,890	1,025,908	1,809,841	1,321,612,412	1,241,737,856	60,068	122,885	1,012,330,169	40,478	74,200,122	1,080	736,680	7,993	1,661,885	167,053	2,109,235
None	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	2,359	18,963
1 cow	6,638	12,886	6,638	19,477	3,295,944	10,803,711	1,655	1,068	377,925	470	67,999	175	11,979	1,941	175,796	5,965	9,308
2 cows	5,401	10,602	13,755	7,254,077	5,414,015	10,803,711	3,847	2,339	1,911,223	1,455	370,087	207	25,622	1,393	179,210	5,099	12,789
3 cows	4,585	13,755	7,254,077	5,414,015	10,803,711	10,803,711	4,252	2,667	3,661,270	1,613	625,951	126	25,084	714	106,287	4,404	15,782
4 cows	5,538	60,962	22,152	390,911	12,140,511	245,798,515	5,593	3,478	6,839,813	1,998	1,127,550	86	28,780	540	86,954	5,354	24,910
5 to 9 cows	41,219	197,026	178,549,009	178,549,009	178,549,009	178,549,009	40,081	29,279	121,065,922	12,459	13,916,832	227	132,434	1,718	354,499	40,379	330,003
10 to 14 cows	31,122	79,019	311,241	1,061,278	595,778,893	713,154,684	51,119	40,008	297,712,656	12,072	23,845,502	129	145,298	968	291,838	50,763	698,662
15 to 19 cows	31,246	13,554	410,046	308,019	546,087,700	809,829,078	31,240	25,350	271,506,905	6,571	18,592,264	61	88,199	424	160,980	31,056	553,178
20 to 29 cows	17,007	3,339	114,395	78,359	60,886,249	53,127,248	17,079	15,165	229,464,461	3,305	12,564,183	45	80,945	246	121,536	17,890	429,800
30 to 49 cows	5,339	211	137	11,855	7,833	9,183,337	5,338	2,989	66,797,693	477	2,630,250	9	27,588	35	51,989	3,524	118,392
50 to 74 cows	811	17	2,551	1,379	1,990,445	1,002,113	211	191	7,508,314	48	363,499	9	63,184	10	63,589	210	12,382
75 to 99 cows	31	17	2,551	1,379	1,990,445	1,002,113	31	30	1,617,488	7	54,233	2	27,695	2	27,695	30	2,685
100 to 199 cows	17	15	2,202	1,940	1,867,549	1,400,458	17	17	1,547,686	2	25,816	3	66,192	3	66,192	17	2,044
200 cows and over	5	2	1,648	845	1,416,979	801,287	5	5	1,316,795	1	15,998	1	13,680	1	13,680	5	1,586

Figure 4: Number of cows milked, and products produced in 1929 and 1939 in Wisconsin. USDA. "Cows milked, and milk produced in 1929 and 1939; Dairy products sold and butter churned, 1939; and cows kept for milk on April 1, 1940; by number of cows milked, by counties." *Census of Agriculture Historical Archive*. Accessed December 5, 2018. <http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf>.

The number of reported cows milked increased in Wisconsin between 1929 and 1939, as well as the amount of milk produced. Furthermore, the largest reported group for cow ownership was 15-19 cows on a farm. The additional yellow boxes serve to highlight this information.

WISCONSIN—Con.																
Eau Claire																
Total	1,989	2,008	21,302	20,376	12,213,645	12,090,640	1,853	1,255	7,645,102	687	1,117,674	0	3,010	62	11,061	1,026
None	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	20
1 cow	88	157	88	242	45,799	113,210	16	11	5,552	3	465	2	90	16	1,401	83
2 cows	59	159	118	75,655	55,011	113,210	29	23	14,489	8	5,549	1	15	15	955	55
3 cows	55	159	159	75,655	75,655	3,156,122	49	36	39,708	17	6,538	17	14,433	1	155	5
4 cows	61	861	244	5,651	117,193	3,156,122	56	32	54,707	27	14,433	1	155	3	566	60
5 to 9 cows	628	4,512	4,512	2,347,877	2,347,877	6,941,862	625	436	1,487,748	210	201,081	2	850	20	4,551	616
10 to 14 cows	635	7,512	7,512	4,230,965	4,230,965	6,941,862	633	410	2,508,583	255	438,147	1	200	5	605	628
15 to 19 cows	280	864	4,626	11,389	2,747,895	6,941,862	280	178	1,610,232	124	296,286	1	1,700	1	1,886	279
20 to 29 cows	141	110	3,163	2,462	1,983,104	1,480,998	141	109	1,478,261	39	120,006	1	1,700	1	1,886	139
30 to 49 cows	21	15	708	457	472,047	287,232	21	17	366,072	4	32,569	1	1,700	1	1,886	21
50 to 74 cows	3	3	172	175	160,105	111,198	3	3	97,950	2	5,000	1	1,700	1	1,886	3

Figure 5: Number of cows milked, and products produced in 1929 and 1939 in Eau Claire County. USDA. *Census of Agriculture Historical Archive*. Accessed December 5, 2018. <http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf>.

Comparing Eau Claire county to Wisconsin as a whole, in 1940, farmers tended to own slightly smaller herds, produced millions of gallons of whole milk for sale in both 1929 and 1939 (left yellow box), and primarily had cows for milk production (right box).

WISCONSIN—Con.																	
Buffalo																	
Total	1,899	1,977	26,576	25,955	14,392,337	15,130,207	1,860	185	929,244	1,756	4,099,883	7	11,492	184	41,854	1,903	26,680
None	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	27	218
1 cow	36	36	36	36	17,825	82,815	16	6	1,135	11	1,750	1	100	9	740	35	49
2 cows	50	99	100	159	46,052	41	15	11,305	29	6,775	7	625	48	180	155	48	155
3 cows	50	150	150	65,276	35	4	6,900	41	15,372	7	1,061	48	180	35	168	295	2,549
4 cows	35	478	140	5,114	72,872	1,670,550	300	32	112,823	276	308,682	4	4,642	61	14,795	558	7,597
5 to 9 cows	xxx	xxx	2,238	15,996	1,143,883	3,554,761	563	38	177,118	547	1,028,824	2	6,750	41	14,076	510	9,049
10 to 14 cows	566	1,119	6,815	3,842,696	3,554,761	9,356,415	512	43	305,385	485	1,384,331	4	6,750	41	14,076	510	9,049
15 to 19 cows	512	248	6,767	5,602	3,842,696	3,329,018	297	34	252,586	288	1,044,220	4	6,750	41	14,076	510	9,049
20 to 29 cows	297	248	6,767	5,602	3,842,696	3,329,018	297	34	252,586	288	1,044,220	4	6,750	41	14,076	510	9,049
30 cows and over	50	33	1,749	1,164	989,957	689,409	50	5	54,612	49	291,417	4	6,750	41	14,076	510	9,049

Figure 6: Number of cows milked, and products produced in 1929 and 1939 in Buffalo County. USDA. *Census of Agriculture Historical Archive*. Accessed December 5, 2018.

<http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf>.

Buffalo County followed the same trend as Eau Claire county, with slightly smaller herd sizes, but higher milk production in larger herds and in total both years (left yellow box), and much less whole milk for sale in comparison. Buffalo County, however, sold much more cream than Eau Claire County in 1940 (right box).

Chippewa																	
Total	3,525	3,398	46,026	40,511	30,151,973	27,479,732	3,438	3,414	27,814,469	48	99,418	8	2,892	36	7,818	3,527	50,195
None	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	46	421
1 cow	79	202	79	302	35,700	166,534	18	16	9,263	2	110	11	1,051	69	141	141	141
2 cows	84	168	168	159,445	84,262	166,534	66	62	52,320	3	1,298	2	472	8	1,210	79	200
3 cows	86	258	258	202,847	159,445	4,434,639	83	83	115,025	2	354	2	162	85	346	85	346
4 cows	89	1,083	356	6,957	202,847	4,434,639	87	87	176,019	835	828	5,204,136	13	14,543	1	60	8
5 to 9 cows	838	1,715	12,241	23,407	3,588,268	7,611,858	1,023	1,019	7,001,768	13	14,829	2	2,075	5	3,450	1,018	13,327
10 to 14 cows	1,023	1,715	12,241	23,407	3,588,268	7,611,858	1,023	1,019	7,001,768	13	14,829	2	2,075	5	3,450	1,018	13,327
15 to 19 cows	766	343	10,678	7,852	7,611,858	1,243,823	466	463	6,930,239	5	21,428	1	175	1	18	484	11,223
20 to 29 cows	466	85	2,906	1,801	7,611,858	1,243,823	466	463	6,930,239	5	21,428	1	175	1	18	484	11,223
30 to 49 cows	85	2	498	192	2,163,240	1,243,823	85	85	2,021,722	1	15,097	1	175	1	18	484	11,223
50 cows and over	7	2	498	192	387,332	204,996	7	7	330,224	1	15,097	1	175	1	18	484	11,223

Figure 7: Number of cows milked, and products produced in 1929 and 1939 in Chippewa County. USDA. *Census of Agriculture Historical Archive*. Accessed December 5, 2018.

<http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf>.

In comparison to Buffalo, Chippewa County had more than double the milk production (left yellow box), even more than Eau Claire. While Chippewa tended to have similar herd sizes to Eau Claire, it sold three times the amount of whole milk, but less cream (right box).

Clark																			
Total	4,872	4,837	66,778	60,326	42,608,160	42,121,942	4,806	4,790	39,810,336	34	62,445	7	5,624	31	6,262	4,870	72,509		
None	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	58	420		
1 cow	67	160	67	239	55,814	135,594	19	19	8,242						8	584	57	118	
2 cows	50		100		52,823		45	44	59,575			1	80	4		394	48	130	
3 cows	78		234		135,029		75	75	113,855								73	279	
4 cows	108	1,366	432	9,215	250,256	6,518,259	107	107	227,518								104	520	
5 to 9 cows	950		6,989		4,307,213		943	938	3,930,002	7	6,550	1	275	1		475	954	7,798	
10 to 14 cows	1,604		19,428		12,261,902		1,602	1,597	11,469,143	10	11,757	3	3,244	7		3,805	1,590	21,194	
15 to 19 cows	1,268	2,802	21,163	38,499	13,713,652	26,823,842	1,268	1,267	12,866,255	9	21,051	1	10	6		585	1,261	22,629	
20 to 29 cows	643	452	14,705	10,271	9,433,907	7,282,276	643	639	8,890,706	7	19,297	1	15	5		619	643	15,565	
30 to 49 cows	100	50	3,443	1,671	2,229,685	1,219,132	100	100	2,114,109								100	5,820	
50 to 74 cows	4	6	217	351	181,879	241,025	4	4	150,953	1	3,788						4	216	
75 to 99 cows																			
100 to 199 cows		1		100		102,014													

Figure 8: Number of cows milked, and products produced in 1929 and 1939 in Clark County. USDA. *Census of Agriculture Historical Archive*. Accessed December 5, 2018.

<http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf..>

Clark County produced more than 150% more gallons of milk than Chippewa both in 1929 and 1939 (left box). It also sold primarily just that whole milk (middle box), as most cows were used only for milk production in that county compared to Eau Claire (right box).

Dunn																		
Total	3,132	3,331	38,980	38,352	24,247,922	25,392,869	3,078	2,085	15,164,015	1,133	2,592,881	2	37	52	5,828	5,161	43,803	
None	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	63	613	
1 cow	58	187	56	276	26,279	142,088	18	11	4,466	7	1,170	1	26	7	578	51	157	
2 cows	59		118		64,992		49	34	36,253	14	3,914				2	450	54	
3 cows	60		180		108,097		58	45	75,842	13	6,085		11		3	732	58	
4 cows	89	1,117	356	7,534	202,130	4,848,342	89	62	124,077	29	17,032				3	340	86	
5 to 9 cows	755		5,519		3,326,972		754	517	2,127,445	257	316,124				5	1,284	745	
10 to 14 cows	1,147		13,599		8,177,276		1,145	761	5,074,268	427	870,202				7	1,575	1,143	
15 to 19 cows	594	1,709	9,889	22,706	6,203,519	15,142,388	594	405	4,042,866	221	649,164				2	385	594	
20 to 29 cows	309	275	6,995	6,185	4,551,765	4,199,883	309	183	2,657,280	138	566,544				3	478	305	
30 to 49 cows	57	37	1,868	1,266	1,387,737	905,386	57	43	855,161	25	146,302						57	
50 to 74 cows	5	4	300	201	219,157	186,782	5	4	168,557	2	16,344						5	
75 to 99 cows				80		68,000												
100 to 199 cows	1		106			100,000												

Figure 9: Number of cows milked, and products produced in 1929 and 1939 in Dunn County. USDA. *Census of Agriculture Historical Archive*. Accessed December 5, 2018.

<http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf..>

Compared to the other counties, Dunn produced more than both Eau Claire and Buffalo both years (left box), but less than Chippewa and Clark. The whole milk produced was primarily sold as fluid milk or as cream, following a regional trend (middle and right boxes respectively).

Jackson																		
Total	1,989	2,146	20,749	22,230	11,124,710	12,728,200	1,874	786	4,195,817	1,139	2,075,685	4	2,681	295	53,746	1,961	22,791	
None	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	25	115	
1 cow	106		106		45,255		28	8	2,350	21	2,683				12	1,570	97	
2 cows	70	189	140	296	65,742	136,033	48	24	16,984	24	6,779				10	1,234	85	
3 cows	81		243		107,391		71	33	36,559	38	14,722				14	1,589	78	
4 cows	100	865	400	5,427	189,234	2,877,102	99	44	71,671	57	36,468				18	2,042	95	
5 to 9 cows	599				2,217,794		595	276	896,797	337	376,695	2	415	73	12,142	583	4,720	
10 to 14 cows	563		4,314		3,539,358		563	231	1,416,027	541	637,992	1	158	88	15,233	555	7,265	
15 to 19 cows	332	925	5,467	12,348	2,973,988	7,307,651	332	114	950,619	228	633,177	1	2,090	62	15,416	351	6,008	
20 to 29 cows	117	147	2,667	3,295	1,502,792	1,986,898	117	45	566,335	79	291,729			19	4,312	115	2,902	
30 cows and over	21	22	743	864	483,180	420,516	21	11	236,476	14	75,442			1	208	21	822	

Figure 10: Number of cows milked, and products produced in 1929 and 1939 in Jackson County. USDA. *Census of Agriculture Historical Archive*. Accessed December 5, 2018.

<http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf>.

Jackson County produced the least whole milk in 1939, but slightly more than Eau Claire County in 1929 (left box). Because of this, farmers sold much less whole milk and cream in the county (middle and right boxes respectively).

Pepin																			
Total-----	860	883	8,854	8,792	4,857,907	4,607,508	854	52	169,183	803	1,386,012	3	135	35	3,443	866	9,718		
None-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	18	114
1 cow-----	23	68	23	101	12,435	34,743	4	3	2,090	3	420	1	15	7	723	21	51		
2 cows-----	31	82	82	101	34,743	54,842	25	3	6,370	23	6,370	1	15	7	904	51	80		
3 cows-----	32	96	96	101	55,061	85,520	32	5	4,150	29	11,385	1	15	5	544	81	115		
4 cows-----	39	394	156	2,512	1,163,175	1,256,395	39	7	13,315	33	18,900	1	150	36	164	302	2,464		
5 to 9 cows-----	305	2,230	2,230	1,716,093	3,097	1,026,271	2,876,295	112	4	12,330	111	310,131	1	50	112	1,991			
10 to 14 cows-----	286	382	1,849	909	543,557	486,980	43	3	28,860	9	71,417				9	365			
15 to 19 cows-----	112	40	987	283	221,052	135,018	9												
20 to 29 cows-----	45	9	348																
30 cows and over-----	9																		

Figure 11: Number of cows milked, and products produced in 1929 and 1939 in Pepin County. USDA *Census of Agriculture Historical Archive*. Accessed December 5, 2018.

<http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf>.

Pepin County produced even less milk than Jackson both years (left box). However, a significant portion of their milk production was sold as cream, in comparison to other counties (right box).

Trempealeau																			
Total-----	2,842	2,931	34,883	35,187	19,705,771	20,287,724	2,771	433	2,878,568	2,387	4,735,453	18	7,110	340	72,812	2,846	38,319		
None-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	49	402
1 cow-----	69	156	89	255	32,872	124,812	22	4	852	18	2,453	18	2,212	60	102				
2 cows-----	65	126	89	255	68,488	124,812	51	11	10,704	42	11,580	1	225	16	1,352	68	146		
3 cows-----	76	228	228	255	114,501	3,116,824	71	12	14,674	62	26,871	1	156	14	2,094	73	339		
4 cows-----	75	868	300	5,747	155,549	3,116,824	73	18	31,272	57	32,073	1	156	14	2,094	73	339		
5 to 9 cows-----	653	4,754	4,754	2,587,423	2,587,423	12,677,255	651	108	377,619	552	609,578	7	1,070	76	13,151	641	5,402		
10 to 14 cows-----	1,002	1,586	12,042	21,648	6,547,895	5,554,355	999	145	925,444	872	1,809,292	2	518	124	24,213	994	13,236		
15 to 19 cows-----	590	289	9,581	6,443	3,905,507	3,727,801	580	75	709,862	510	1,362,590	4	1,751	62	18,759	574	10,445		
20 to 29 cows-----	292	51	991	1,034	575,548	617,032	29	10	173,808	22	114,607	1	280	1	250	29	976		
30 to 49 cows-----	29	1	181	60	164,033	24,000	5	1	40,000	3	29,297					5	180		
50 to 74 cows-----	3																		

Figure 12: Number of cows milked, and products produced in 1929 and 1939 in Trempealeau County. USDA. *Census of Agriculture Historical Archive*. Accessed December 5, 2018.

<http://usda.mannlib.cornell.edu/usda/AgCensusImages/1940/04/03/1329/Table-19.pdf>.

Lastly, Trempealeau County produced more milk than Eau Claire both years, but sold a significantly smaller portion of it as whole milk and cream (left, middle, and right boxes respectively). None of the counties had significant production of butter, and primarily dealt with

whole milk and sometimes cream. This study is important because it shows statistically that Eau Claire county was in one of the largest milk producing and selling areas of the state historically. While the county itself was not the largest producer of the surveyed counties, and the northern contiguous counties won this survey, Eau Claire is a city in the northwestern part of the county; the city of Eau Claire was closer to the highest producing counties of Chippewa, Clark, and Dunn, though Buffalo county pulled the high values slightly southwest. If one were to look further north and west, county milk production and sales most likely continued to increase, showcasing the historical Upper Midwest surplus of milk. As such, while there was no specific federal proclamation as the city as a base point for the FMMO, Eau Claire can be understood as a contemporary general geographic mean center of milk production in both the upper Midwest and the United States as a whole. However, this case study would benefit from further research and addition of production cost data.

Conclusion

Upon going through every bit of the USDA's language concerning the Federal Milk Marketing Order, there is not one mention of Eau Claire, Wisconsin, or even the concept of a base point. Even in the Milk in the Upper Midwest Marketing Area subpart of the General Provisions of Federal Milk Marketing Orders, there is not an instance where the city is brought up.⁹² Whether or not this was a governmental oversight, the lack of reasoning allows for personal conjecture; Statistically speaking, however, the upper Midwest was and remains a bastion of dairy production in the United States. While the only visible governmental evidence of this is the

⁹² USDA. "PART 1030--MILK IN THE UPPER MIDWEST MARKETING AREA." (Washington DC, Electronic Code of Federal Regulations, 2018). 1-20. <https://www.ecfr.gov/cgi-bin/text-idx?SID=a709893419f11845a46bb42e7d66b531&mc=true&node=pt7.9.1030&rgn=div5>. Accessed December 5, 2018.

“Eau Claire Rule” in agricultural pricing, it has become an ingrained part of Wisconsin culture as well as a myth of dairy farming in America. “We have urban myths, and we have rural myths,” said Mark Stephenson for *On Wisconsin Magazine*, “Eau Claire is a rural myth,” started in the 1920s and rolled out in the 1930s.⁹³ While Eau Claire may be in a part of the United States with a tendency to produce dairy products over local demand, there are other parts of the country with the same propensities (e.g. New York). However, agricultural production costs in the upper Midwest tend to be lower than in other parts of the country, contributing to this continuation of myth.⁹⁴ Well after FDR’s America, the power of that base point is be weakening today, with California operating its own FMMO in October 2018 as an example.⁹⁵ However, the silent power of a mid-sized community in the west-central part of Wisconsin has held the both the milk prices in the state and the rest of the country captive for almost a century. Therefore, the Eau Claire rule can be associated with a paradigm shift in agricultural policy and the interaction between the federal government and citizens during times of crisis.

⁹³ Allen. “Milk Matters.”

⁹⁴ Lasley, 1.

⁹⁵ USDA. “USDA Announces Producer Approval of California Federal Milk Marketing Order.” News Release, (June 7, 2018). Accessed December 6, 2018. <https://www.usda.gov/media/press-releases/2018/06/07/usda-announces-producer-approval-california-federal-milk-marketing>

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