

Dairy in Oregon (text panel one, outside Beaver Hall)

Fresh milk is highly perishable. It must be brought to market daily or turned into products such as butter or cheese to be stored. Before the industrial era, making aged cheeses, which have the longest shelf life, required the large resources of a monastery or dairy cooperative. European dairy farmers brought the cooperative tradition with them when they came to America.

With the construction of railroads in the mid nineteenth century, small cooperatives and individual farmers began selling their milk to centralized distributors. There were tensions in this system. Small farms did not have scales, so their milk was weighed at the processing plant, leaving dairy farmers vulnerable to dishonesty. Although they could gain leverage in negotiations with distributors by dumping milk to tighten supply—an action known as the “milk strike”—distributors nevertheless were at an advantage because of better market information and stronger organization.

The situation became critical after World War I, when the U.S. government’s demand for milk abruptly fell and the market was flooded with stockpiled dairy products. Out of the resulting financial devastation grew a new cooperative structure, of larger, centrally run or federated associations of smaller cooperatives and dairy farmers. These larger cooperatives bought idled milk-processing plants, thereby gaining control over the means to convert fresh milk into storable products. Centralized cooperatives also helped stabilize the market by preventing price competition among smaller member cooperatives.

The Oregon Dairymen’s League was one of these early cooperatives. Formed in 1918, the league failed within a few years due to poor management and a bad business model. The failure wiped out the savings of many Oregon dairy farmers and made them suspicious of centrally run organizations. Of this early misadventure, agricultural economist George O. Gatlin wrote in 1929:

It left in its wake a considerable distrust of organization of this type [and] . . . has helped to make Oregon farmers decidedly “local-minded.”

A dairy executive put it more bluntly, “*you couldn’t get two cooperative creameries in Oregon to even say ‘hello’ to each other.*”

While large cooperatives such as the United Dairymen’s Association of Washington and the Challenge Cream and Butter Association of California were growing, and private companies like Carnation were buying smaller ventures, efforts to consolidate Oregon cooperatives lagged. By 1929, Oregon had 108 creameries and 70 cream-buying stations,

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but only two large cooperatives: Tillamook County Creamery Association and the Lower Columbia Cooperative Association. Oregon's smaller organizations operated under considerable economic pressure to consolidate.

The artifacts displayed in this case document the numerous independent dairies, creameries, and their associated ice-cream parlors that delighted patrons in the Portland area on the eve of a wave of consolidations that would help transform dairy into an industry.