The dairy industry in New York has changed remarkably since the mid-1960s. Improvements in technology and breeding practices have boosted New York's average yearly milk production per cow from 9,649 pounds in 1966 to 13,242 pounds in 1987—an increase of 37 percent. This gain lags somewhat behind the overall U.S. increase of 61 percent.

The most dramatic change, however, has been in the growth of manufactured dairy products. In 1966, 64 percent of the milk received by New York dairy plants was sold as fluid milk. By 1986, this percentage had dropped to 35 percent. Manufactured products had taken over more than half of the available supply of milk.

Although butter and cottage cheese production have increased about 11 percent and 49 percent respectively between 1966 and 1986, New York has experienced a tremendous increase (249 percent) in the production of cheese during the same period. Two general types of cheese produced here are American and Italian. American-type cheeses include cheddar, jack, colby, brick, and muenster. Italian-type cheeses include mozzarella, provolone, ricotta, romano, and parmesan. In 1966, New York State was the sixth largest manufacturer of cheddar cheese in the nation with a 3.9 percent share of the market. In 1987, New York ranked fifth with a 3.3 percent share. New York remains the second-largest maker of Italian cheeses after Wisconsin, providing 17.5 percent of the U.S. supply in 1986 compared to 6.3 percent in 1976.
In New York, mozzarella has replaced cheddar as the largest single variety of cheese manufactured. Cheddar cheese production has declined 1 percent since 1976, while mozzarella has grown by 165 percent. This is partly due to the growing popularity of Italian food, in general, and pizza served by large fast-food chains, in particular. Most of the mozzarella produced in the U.S. is not sold to consumers, but directly sold to food processors for use in products such as frozen pizza and lasagna. Mozzarella is also a higher-yield product than cheddar; more mozzarella can be made from the same amount of milk, resulting in higher profit.

New York has moved from producing milk primarily for fluid consumption to providing milk for the growing segment of manufactured dairy products, especially cheese. Italian cheeses, particularly mozzarella, are in the forefront of this boom. American cheeses, most notably cheddar, are playing a less important role.