

MARKETING SERVICE

BULLETIN

Where's The Milk.....???

At times the dairy industry can be awash with regional opinions about where milk is produced or about where dairy products are produced and consumed.

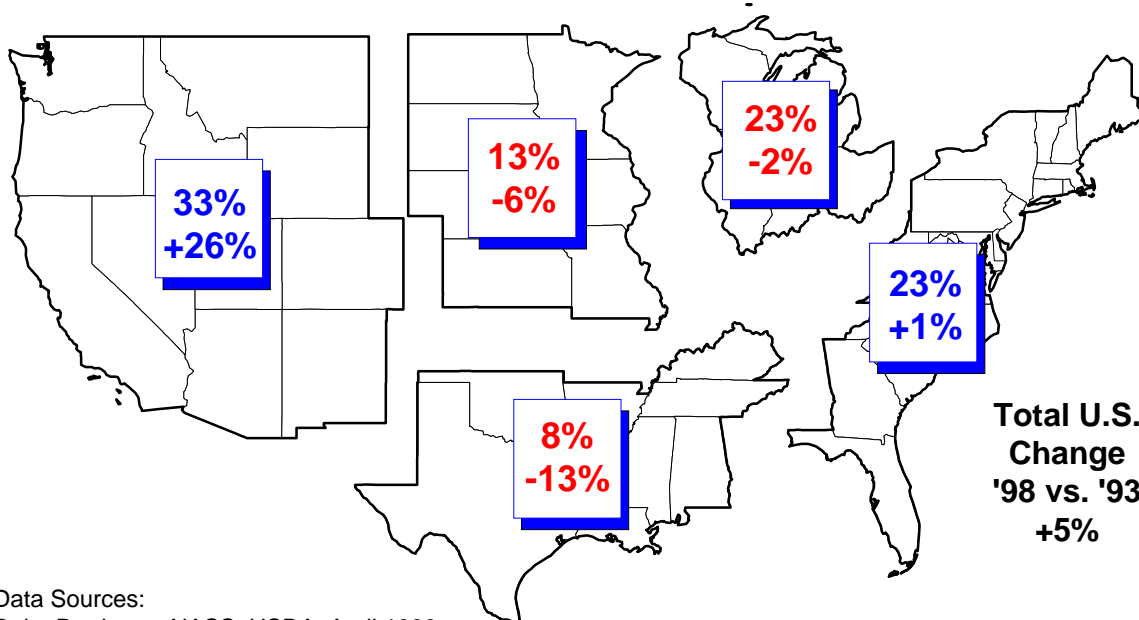
Perceptions differ from region-to-region but the reality is that the U.S. dairy industry is dynamic and ever-changing.



The map graphics and data tables illustrate the regional production of milk and selected dairy products. The top number shown in each map region provides the percentage of the total 1998 U.S. production for the product depicted by the respective map. The bottom number with each region provides the percentage change in the production of the product comparing 1998 with 1993. Two regions increased milk production from 1993 levels: the Western region accounted for 33% of the 1998 U.S. milk production and was up 26% while the Atlantic region accounted for 23% of the production - up 1%. The three other regions experienced a decline in milk production during this time-frame. The data table for milk production can be found on the back page.

Production data for cheese, butter, nonfat dry milk, and ice cream are provided on the following pages.

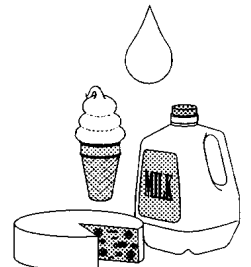
Regional Milk Production As A Percent Of 1998 Total U.S. Production With Percent Change In Production: 1998 vs 1993



Data Sources:
Dairy Products. NASS, USDA, April 1999.
Milk Production. NASS, USDA, April 1999.

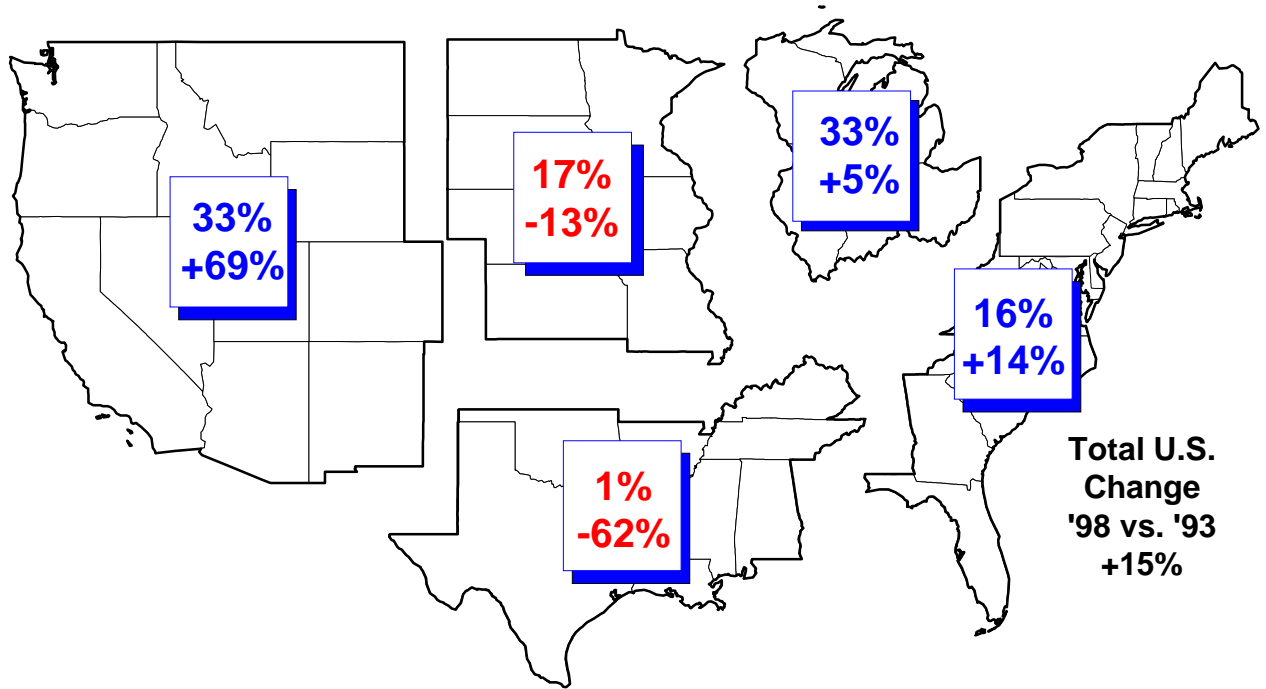
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Total U.S. cheese production continues to grow - with yearly increases during the time period listed. Cheese production totaled 7.502 billion pounds during 1998 up 2.36% from 1997 and 14.92% from the 1993 total of 6.528 billion pounds. As depicted by the map, three of the five regions noted increases ('98 vs. '93) while two noted decreases.

Regional Cheese Production As A Percent Of 1998 Total U.S. Production With Percent Change In Production: 1998 vs 1993



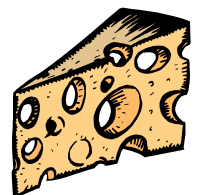
The western region noted the largest percentage increase -- up 68.58%. The western region presently accounts for 33.04% of the total U.S. cheese production compared with 22.52% of the total during 1993.

Total U.S. Cheese Production By Region (Thousand Lbs.)

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1993	1,035,724	2,355,356	1,491,234	175,731	1,470,127	6,528,172
1994	1,075,703	2,360,056	1,465,560	177,246	1,656,126	6,734,691
1995	1,100,865	2,433,768	1,385,852	166,210	1,830,201	6,916,896
1996	1,149,242	2,441,523	1,369,217	145,750	2,111,812	7,217,544
1997	1,138,139	2,469,629	1,323,811	116,576	2,280,863	7,329,018
1998	1,182,078	2,482,707	1,292,564	66,243	2,478,311	7,501,903

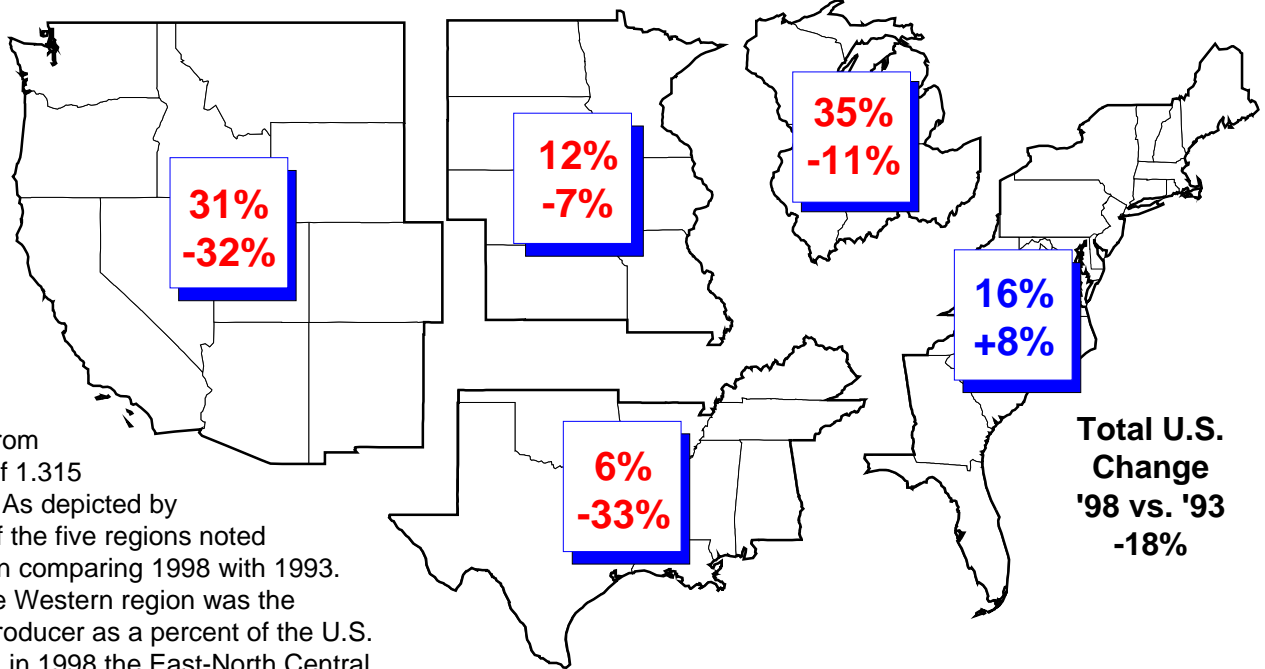
As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
1993	15.87	36.08	22.84	2.69	22.52
1994	15.97	35.04	21.76	2.63	24.59
1995	15.92	35.19	20.04	2.40	26.46
1996	15.92	33.83	18.97	2.02	29.26
1997	15.53	33.70	18.06	1.59	31.12
1998	15.76	33.09	17.23	0.88	33.04



Regional Butter Production As A Percent Of 1998 Total U.S. Production With Percent Change In Production: 1998 vs 1993

Total U.S. butter production continues to fall - with yearly decreases during the time period listed. Butter production totaled 1.082 billion pounds during 1998 down 6.03% from 1997 and down 17.74% from the 1993 total of 1.315 billion pounds. As depicted by the map, four of the five regions noted decreases when comparing 1998 with 1993. During 1997 the Western region was the largest butter producer as a percent of the U.S. total. However, in 1998 the East-North Central region (at 34.51%) produced more butter than any other region but did note a decrease of 11.46% from 1993. Only the Atlantic region experienced an increase in butter production (+8.32%).



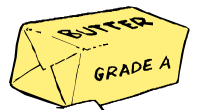
Total U.S. Change '98 vs. '93 -18%

Total U.S. Butter Production By Region (Thousand Lbs.)

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1993	164,730	421,624	140,668	101,263	486,913	1,315,198
1994	173,957	383,601	138,565	92,388	507,431	1,295,942
1995	167,905	370,691	147,200	87,613	487,327	1,260,736
1996	167,160	379,351	120,167	76,557	431,240	1,174,475
1997	146,734	383,237	117,984	68,184	435,111	1,151,250
1998	178,432	373,318	131,327	68,128	330,674	1,081,879

As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
1993	12.53	32.06	10.70	7.70	37.02
1994	13.42	29.60	10.69	7.13	39.16
1995	13.32	29.40	11.68	6.95	38.65
1996	14.23	32.30	10.23	6.52	36.72
1997	12.75	33.29	10.25	5.92	37.79
1998	16.49	34.51	12.14	6.30	30.56



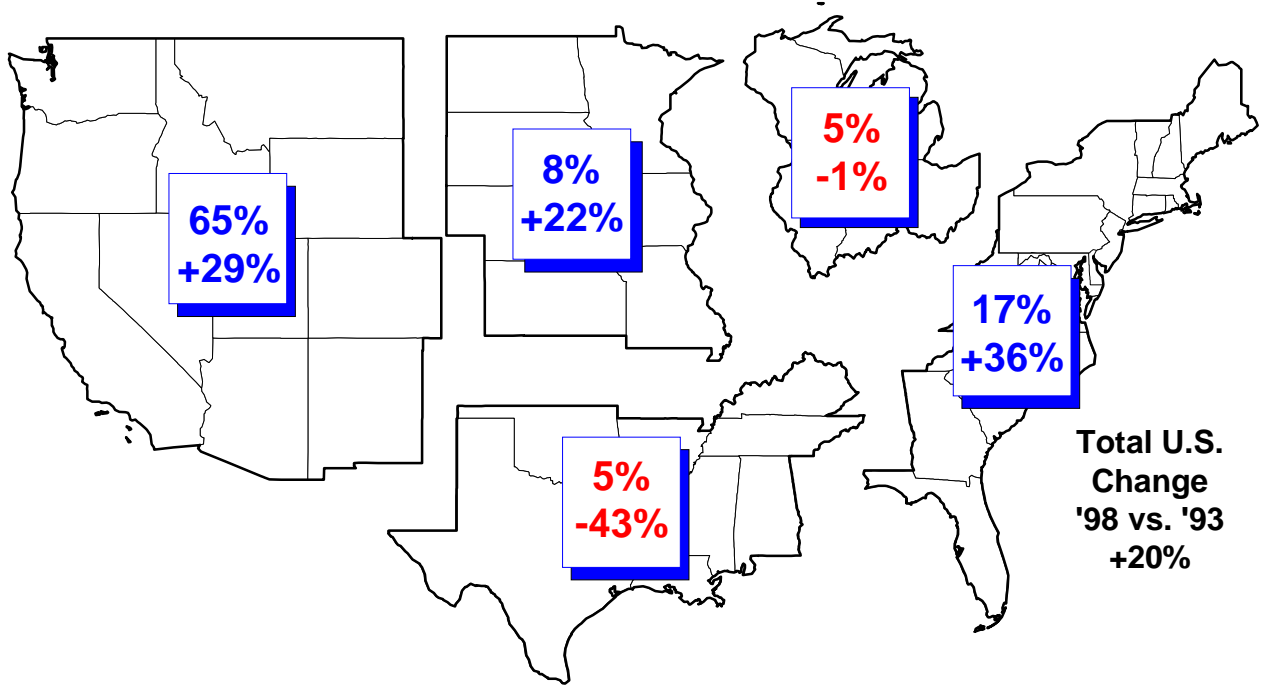
Regional NFDM Production As A Percent Of 1998 Total U.S. Production With Percent Change In Production: 1998 vs 1993

Total U.S. nonfat dry milk production increased 19.75% when comparing 1998 with 1993.

NFDM production totaled 1.135 billion pounds during 1998 up from 0.948 billion pounds in 1993.

As depicted by the map, three of the five regions noted increases ('98 vs. '93) while two noted decreases. The western region accounts for the greatest percentage of

NFDM produced at 65.19% of the U.S. total. However, the three regions with NFDM increases all noted large increases of 22% to 36%.



Total U.S. Nonfat Dry Milk Production By Region (Thousand Lbs.)

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1993	141,405	57,492	71,291	102,783	575,146	948,117
1994	166,502	111,130	138,560	121,649	677,737	1,215,578
1995	193,797	109,851	140,674	96,013	693,503	1,233,838
1996	161,811	73,501	109,444	54,710	662,305	1,061,771
1997	222,796	71,406	88,790	40,632	793,938	1,217,562
1998	192,045	56,961	87,151	59,034	740,192	1,135,383

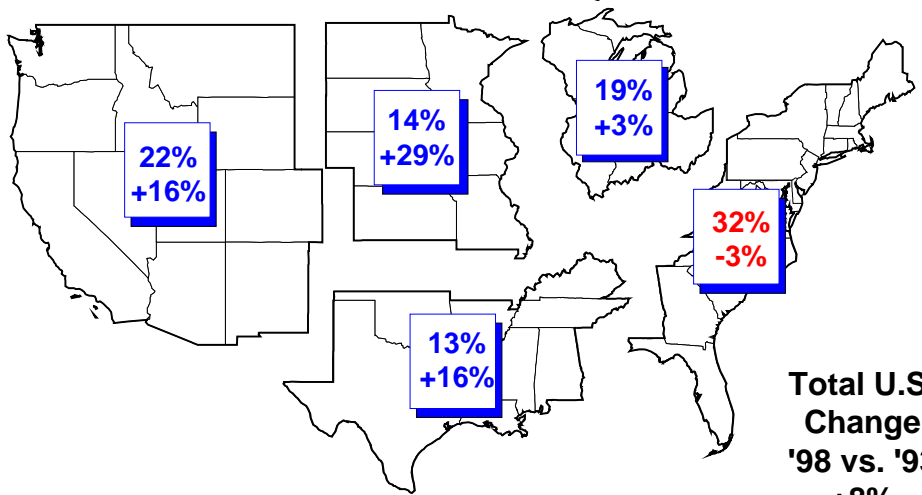
As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
1993	14.91	6.06	7.52	10.84	60.66
1994	13.70	9.14	11.40	10.01	55.75
1995	15.71	8.90	11.40	7.78	56.21
1996	15.24	6.92	10.31	5.15	62.38
1997	18.30	5.86	7.29	3.34	65.21
1998	16.91	5.02	7.68	5.20	65.19



**Regional Ice Cream Production As A Percent
Of 1998 Total U.S. Production
With Percent Change In Production: 1998 vs 1993**

Total U.S. ice cream production increased 8.22% when comparing 1998 with 1993. Ice cream production totaled 937.5 million gallons during 1998 up from 866.2 million gallons in 1993. As depicted by the map, four of the five regions noted increases ('98 vs. '93). The Atlantic region accounted for the largest percentage of ice cream produced (31.86%) but did note the only percentage decrease as a region. The West-North Central region accounted for the largest percentage increase (+28.64%) during the '98 vs. '93 time-period with the Western and South Central regions both noting a 16% increase.



**Total U.S.
Change
'98 vs. '93
+8%**

**Total U.S. Ice Cream Production
By Region (Thousand Gallons)**

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1993	308,175	171,893	105,614	102,083	178,483	866,248
1994	310,354	165,172	111,134	103,849	185,925	876,434
1995	299,624	157,784	108,556	103,771	187,201	856,936
1996	302,961	163,078	115,999	96,065	200,469	878,572
1997	299,804	178,966	122,009	98,374	206,437	905,590
1998	298,686	177,522	135,858	118,375	207,044	937,485

As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
1993	35.58	19.84	12.19	11.78	20.60
1994	35.41	18.85	12.68	11.85	21.21
1995	34.96	18.41	12.67	12.11	21.85
1996	34.48	18.56	13.20	10.93	22.82
1997	33.11	19.76	13.47	10.86	22.80
1998	31.86	18.93	14.49	12.63	22.09



**A comparison
of Blend Prices
for milk of 3.5%
butterfat content
is provided
for selected
Federal milk
marketing
orders:**

	Mar 1999	Feb 1999	Mar 1998
Southeast (Zone 7)	\$18.19	\$18.99	\$15.56
Chicago Regional (Zone I)	13.03	12.15	13.33
Greater Kansas City	18.85	18.71	14.95
Indiana	16.56	17.30	14.42
Iowa (Zone I)	13.39	13.04	13.49
Southwest Plains (Zone I)	15.82	15.85	14.58
Central Illinois (Zone I)	16.28	17.00	14.39
Southern Illinois - Eastern Missouri (Base Zone)	16.00	16.33	14.24

Total U.S. Milk Production

By Region (Million Lbs.)

	<u>Atlantic</u>	East-North <u>Central</u>	West-North <u>Central</u>	South <u>Central</u>	<u>West</u>	<u>Total</u>
1993	36,330	37,707	21,329	14,196	41,021	150,582
1994	36,171	37,323	20,739	14,426	45,020	153,679
1995	36,470	37,713	20,843	14,010	46,390	155,425
1996	36,052	36,674	20,227	13,472	47,886	154,311
1997	36,319	36,585	19,687	12,922	50,578	156,091
1998	36,625	36,941	19,971	12,407	51,497	157,441

As A Percent Of Total Production

	<u>Atlantic</u>	East-North <u>Central</u>	West-North <u>Central</u>	South <u>Central</u>	<u>West</u>
1993	24.13	25.04	14.16	9.43	27.24
1994	23.54	24.29	13.50	9.39	29.29
1995	23.47	24.26	13.41	9.01	29.85
1996	23.36	23.77	13.11	8.73	31.03
1997	23.27	23.44	12.61	8.28	32.40
1998	23.26	23.46	12.69	7.88	32.71

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ADDRESS CORRECTION REQUESTED

Important Reminder

Payments under the Dairy Income Loss Assistance program must be applied for by May 21, 1999. Contact your local USDA Farm Service Agency for details.