

# MARKETING SERVICE

B U L L E T I N



U.S. milk production during the first six months of 2004 totaled 86.4 billion pounds -- a 0.7% decrease compared with the previous year's 87.0 billion pound total. Wyoming and Texas recorded the largest percentage gains during the first six months of 2004 with increases of 12.8% and 7.6%, respectively. Three other states posted gains of more than 3.0%: Florida (+3.5%), Idaho (+3.1%), and New Mexico (+3.1%). Conversely, 26 states recorded milk production decreases of 3.0% or more, with six posting double-digit percentage declines. Alaska's 15.9% decrease during the first six months of 2004 was the largest milk production decline.

The map on this page details the state ranking in milk production for the first half of 2004. The top ten milk producing states are shaded. The graphics on page 4 depict the states with the largest percentage increases and decreases comparing the first half of 2004 with the comparable period of 1999.

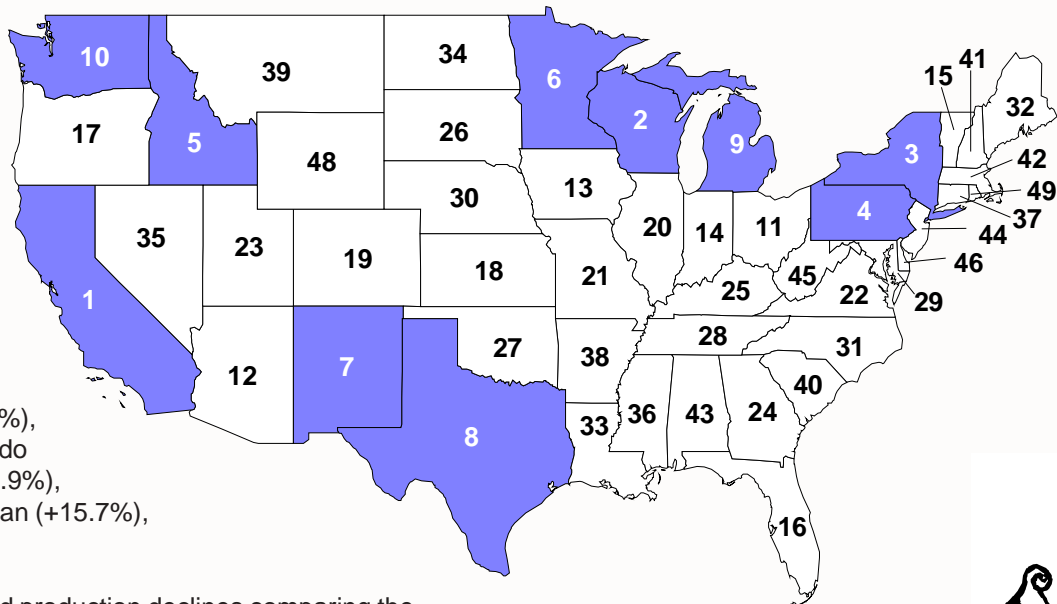
Fourteen states registered milk production increases comparing the first six months of 2004 with first half production during 2003. The average percentage increase for these 14 states was 3.1%. Thirty-five states recorded production decreases, with an average percentage decrease of 6.0%. Montana was the only state that recorded no change in milk production comparing the first half of 2004 with the same period of the previous year.

Comparing January through June 2004 with the same period of 1999, milk production in the United States increased by 3.9 billion pounds, or 4.7%.

Fifteen states reported milk production increases led by Kansas's 55.6% gain. The average percentage increase for these 15 states was 21.9%, with 10 states posting increases of more than 10.0%. These 10 states were Kansas (+55.6%), New Mexico (+45.6%), Idaho (+44.9%), Oregon (+35.0%), Indiana (+31.6%), Colorado (+29.3%), California (+20.9%), Arizona (+19.8%), Michigan (+15.7%), and Montana (+14.6%).

Thirty-four states recorded production declines comparing the first six months of 2004 with 1999. The average percentage

## 2004 First Half Milk Production Ranking Top Ten States Highlighted



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decline for these states was 17.1%. Sixteen of these states recorded percentage decreases greater than the average loss. These states were:

Arkansas	-36.6%	Rhode Island	-35.4%	Alabama	-33.5%
Louisiana	-32.2%	Mississippi	-31.1%	Hawaii	-31.1%
Massachusetts	-29.4%	New Jersey	-28.4%	North Dakota	-25.1%
West Virginia	-25.0%	Connecticut	-24.8%	Delaware	-23.4%
Wyoming	-23.1%	South Carolina	-22.9%	Missouri	-19.0%
Tennessee	-17.6%				

The graph at the right depicts January through June milk production during the last 15 years for the nation's top five milk producing states. Idaho entered the top five during the first half of 2003 and Minnesota dropped to sixth. California and Idaho posted increases comparing the first six months of 2004 with 2003, and they were the only states to record increases every year during this 15-year period. Moreover, Idaho and California's milk production for the first six months of 2004 compared with the same period of 1999 increased by 44.9% and 20.9%, respectively. New York (-3.0%), Wisconsin (-4.6%) and Pennsylvania (-7.9%) recorded decreased milk production versus 1999.

The map on page 6 provides a ranking of states based on milk production per cow during the first six months of 2004. California, Idaho, New Mexico, Texas, Michigan, and Washington rank in the top ten in total milk production and milk production per cow.

### 2004 1st Half *Per Capita* Milk Production

A comparison of per capita milk production to per capita consumption provides insight into the supply and demand balance for individual states and regions throughout the United States.

The table on page 7 details and compares per capita milk production by state for the first six months of 2004, 2003, and 1999. This table lists the states in descending order based on January through June 2004 per capita production. States with per capita production of more than 300 pounds are inside the shaded area of the table. Six of the top ten states in total production are also in the top ten in per capita production. These six are California, Wisconsin, Idaho, Minnesota, New Mexico, and Washington.

Per capita production for the first half of 2004 was down by 2.2 pounds (+0.7%) compared with 2003. Fourteen states reported per capita increases during this time period, with five posting increases of 3.0% or more. The largest percentage increases were reported by Wyoming at 12.8% and Texas with a 7.6.0% gain. Florida (+3.5%), Idaho (+3.1%), and New Mexico (+3.1%) were other states to post gains of more than 3.0%. Alaska recorded the largest per capita production decline during the first half of 2004 with a loss of 16.2%. South Carolina (-14.8%), Massachusetts (-14.6%), Mississippi (-11.3%), Rhode Island (-11.0%), and Arkansas (-10.3%) were other states to post declines of more than 10.0%.

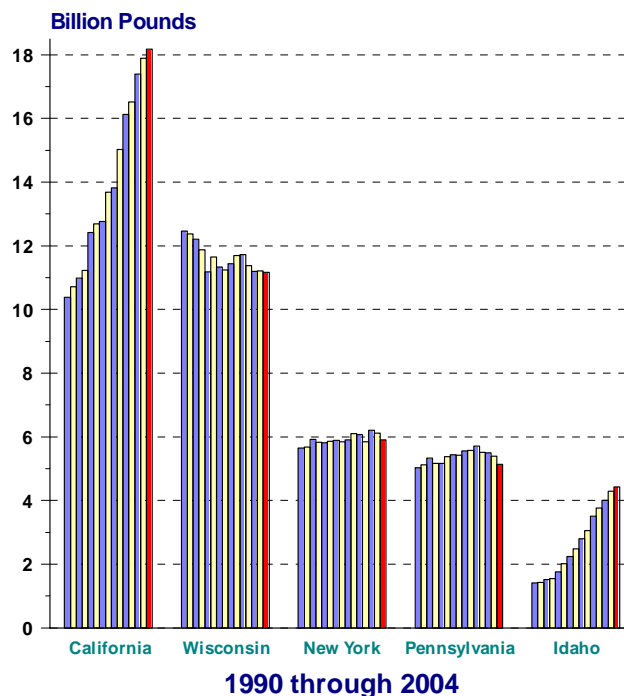
Per capita milk production decreased by 5.6 pounds (-1.9%) comparing the first half of 2004 with 1999. Eleven states recorded increases during this time frame, with Kansas's gain of 51.7% (+138 pounds) being the largest percentage increase. The largest per capita pound increase was recorded by Idaho, however, with a gain of 800 pounds (+32.8%). Seventeen states recorded declines of more than 20.0% led by Arkansas's decrease of 40.7%. Eleven states posted declines of between 10.0% & 20.0% compared with 1999. Minnesota (-19.9%), Vermont (-8.5%), and Wisconsin (-8.5%) reported the largest per capita pound losses with declines of 204, 196, and 189 pounds, respectively.

The map on the top of page 3 depicts per capita milk production by state for the first six months of 2004. The 150- and 300-pound levels of per capita production are arbitrary divisions selected for the categories used in this map. These levels reflect approximately one-half of the average annual fluid and total per capita dairy consumption, plus reserve requirements. A cursory analysis of regional milk supply conditions can be performed by examining the shading patterns prevalent in the individual regions.

The map at the bottom of page 3 displays the percentage change in per capita milk production by state for the first six months of 2004 compared with 1999. The data represented by this map reflects changes in production combined with population changes that have transpired since 1999. The only states that recorded an increase in production per capita comparing the first six months of 2004 with 1999 located outside the West were Kansas, Indiana, Michigan, and Ohio with increases of 51.7%, 26.2%, 13.2%, and 1.5%, respectively.

## January - June Milk Production

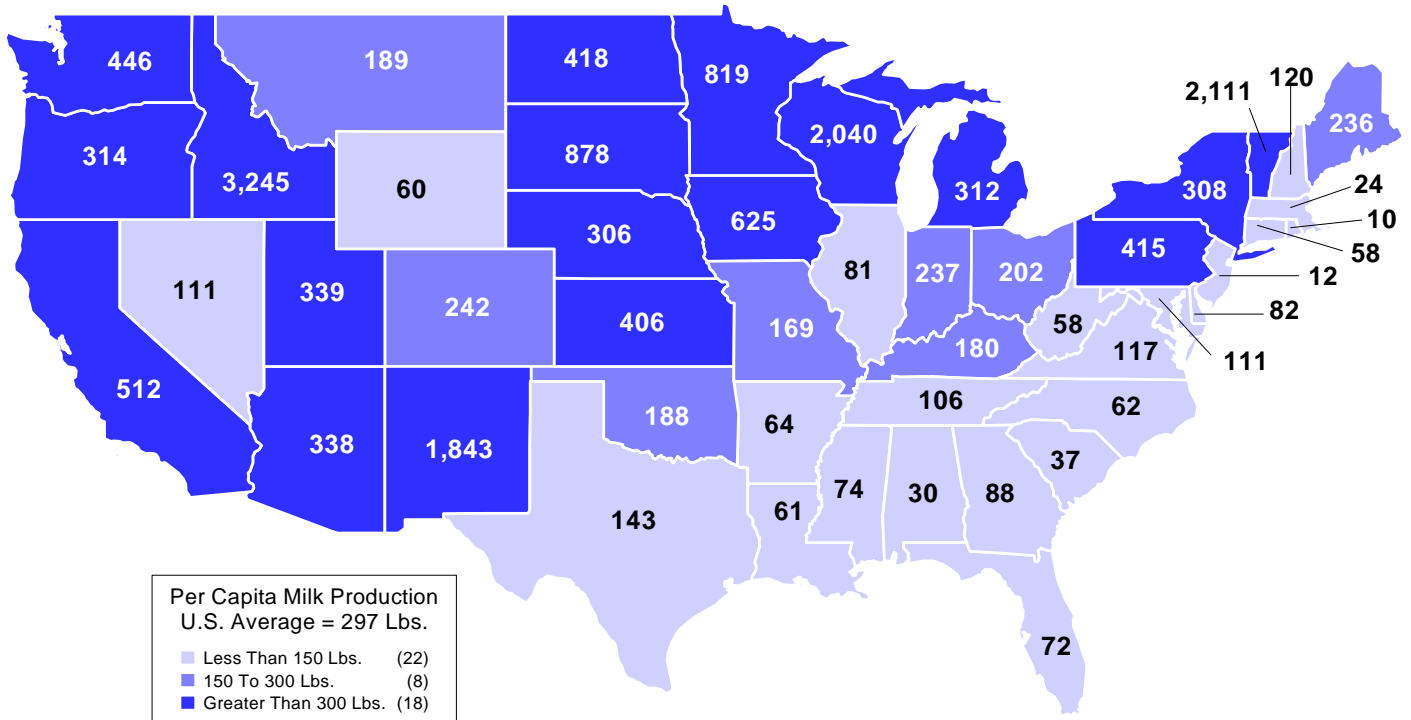
### Top Five Dairy States



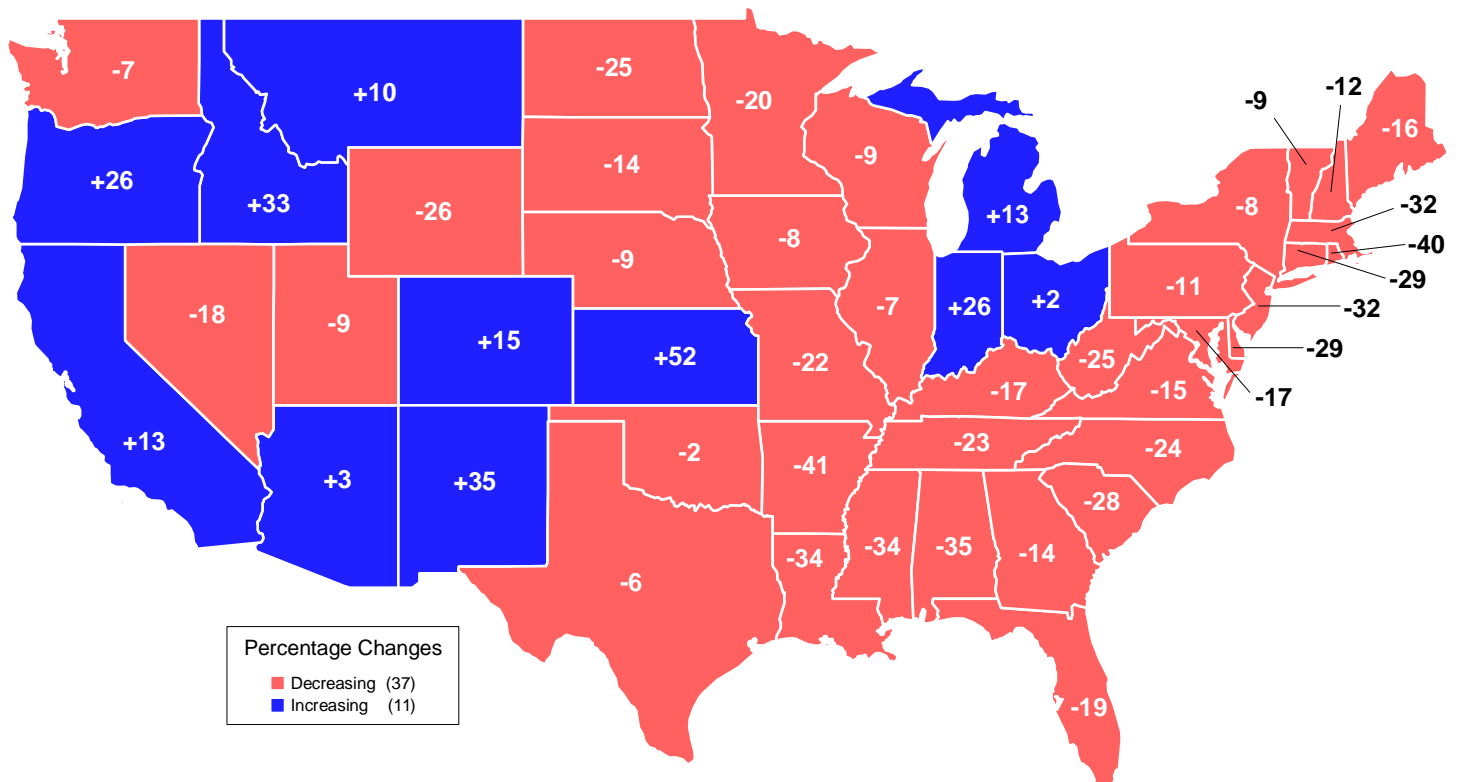
### Percentage Of 1st Half Year Totals 2004

	U.S. Milk Production	U. S. Population Estimate
California	21.03	12.20
Wisconsin	12.92	1.88
New York	6.84	6.60
Pennsylvania	5.94	4.25
Idaho	5.13	0.47
<b>5-State Total</b>	<b>51.86</b>	<b>25.40</b>

# 2004 First Half Per Capita Milk Production



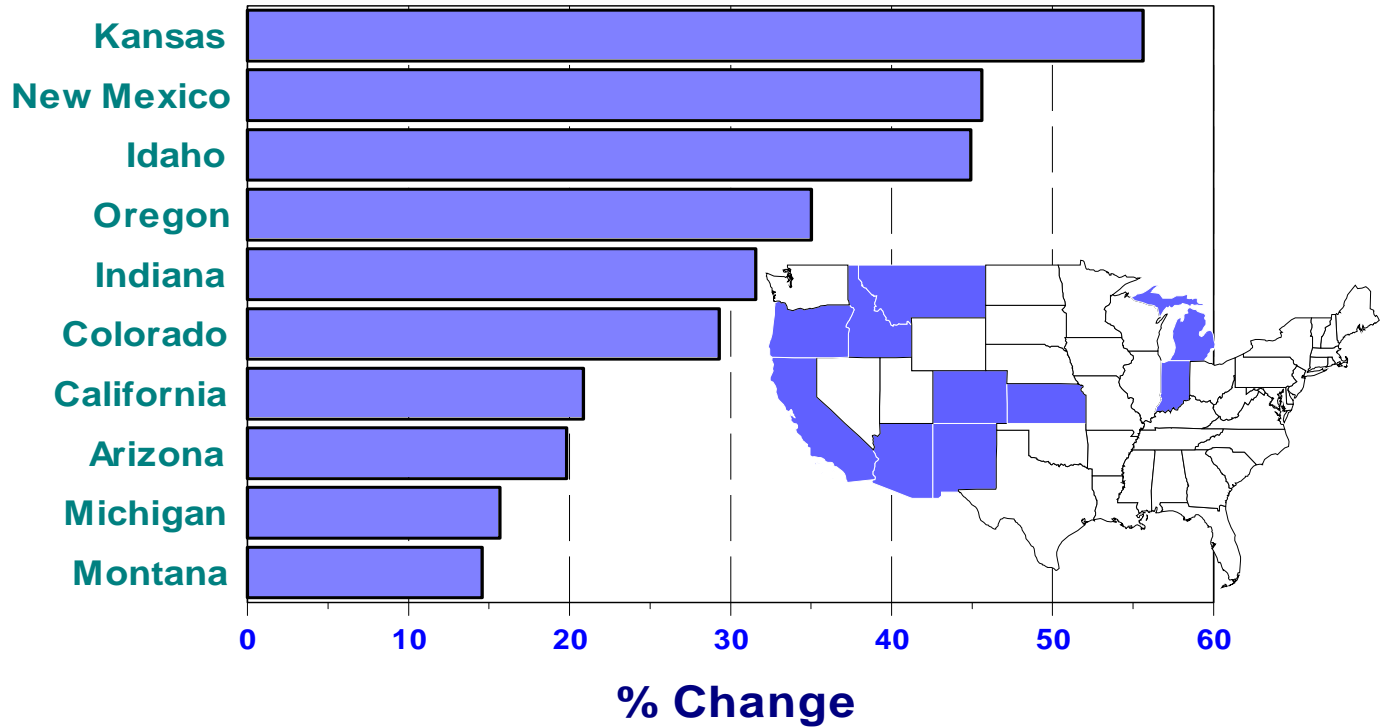
# Percent Change In Per Capita Milk Production First Half: 2004 vs 1999



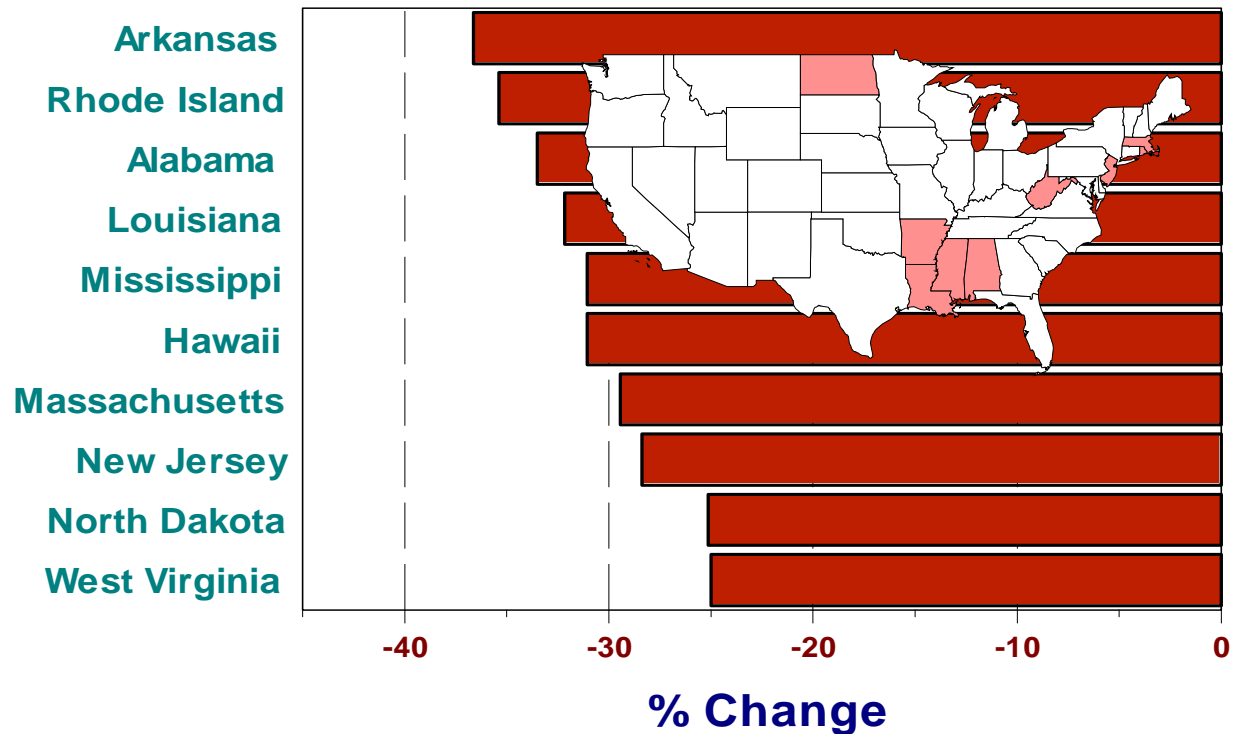
# January-June Milk Production: 2004 vs 1999

U.S. Average = +4.7%

## Largest Production Increases



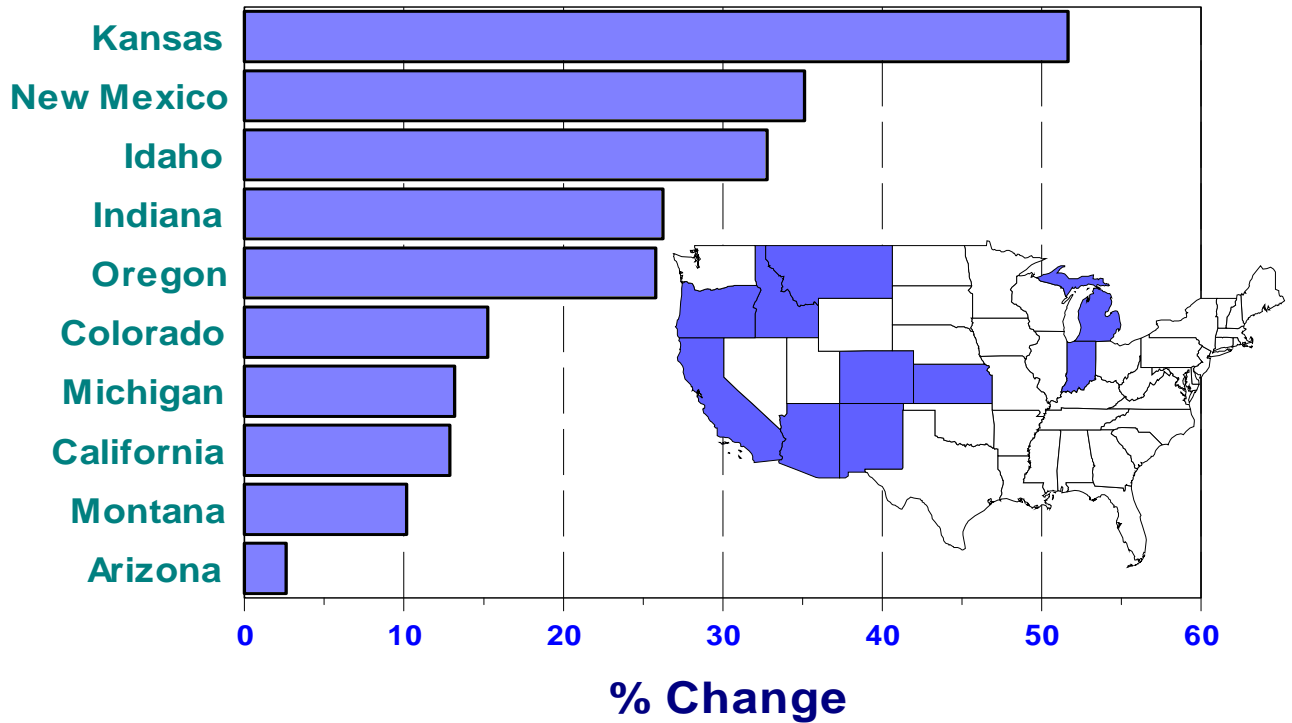
## Largest Production Decreases



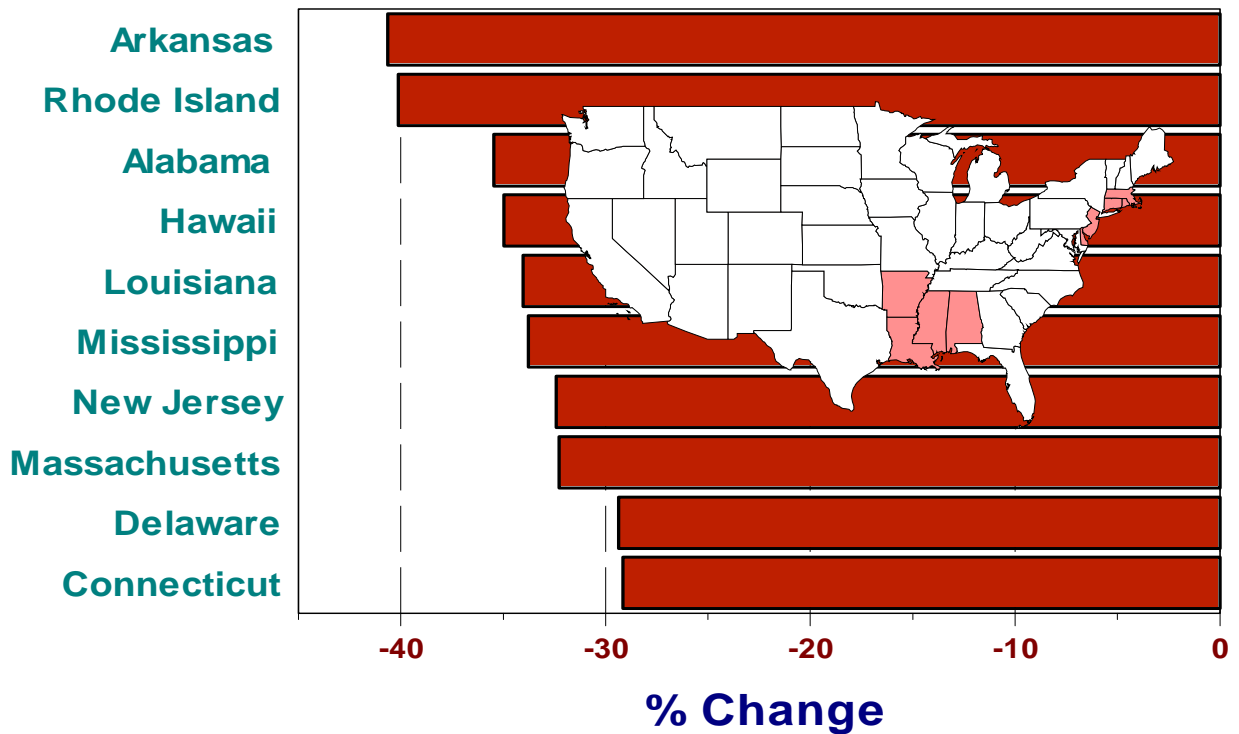
# January-June Per Capita Milk Production: 2004 vs 1999

U.S. Average = -1.9%

## Largest Per Capita Increases

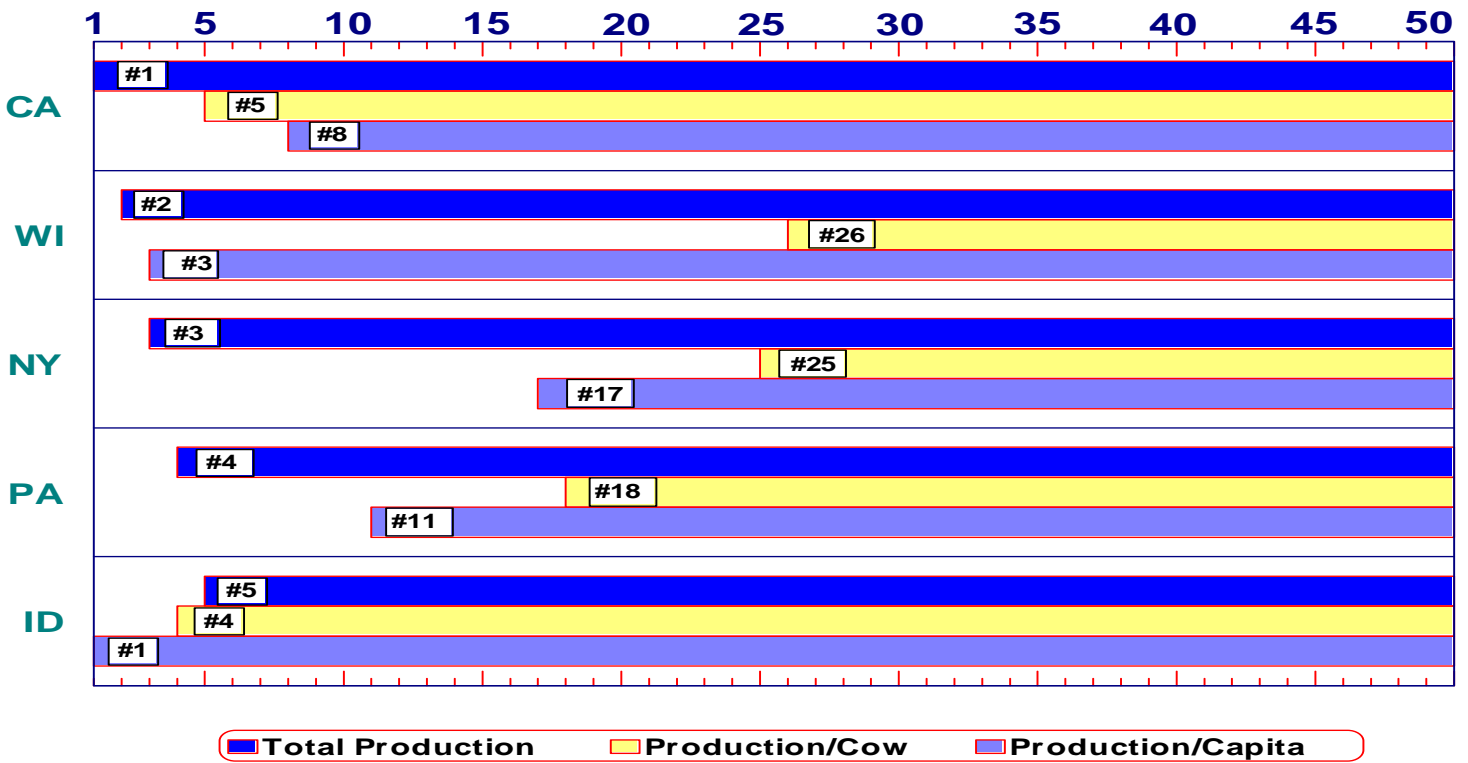


## Largest Per Capita Decreases

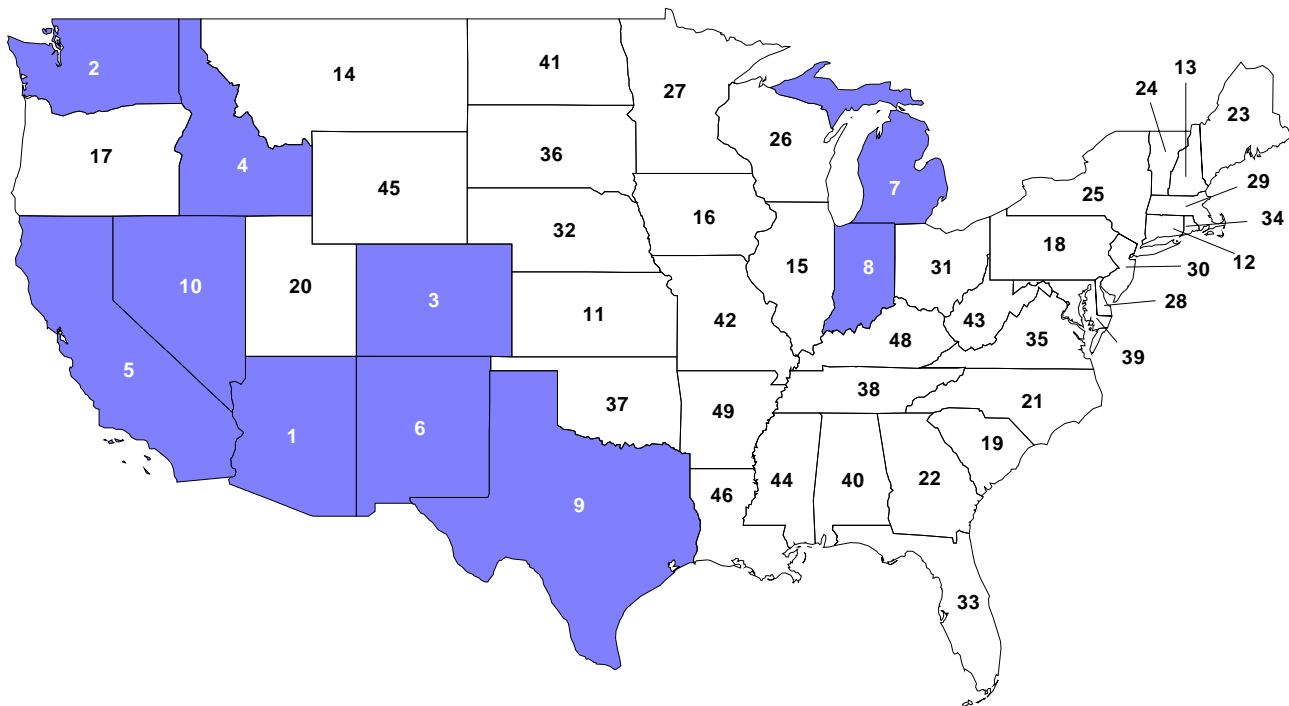


# 2004 January thru June Milk Production: Top Five States

## State Rankings



## 2004 First Half Milk Production Per Cow Ranking Top Ten States Highlighted



# Per Capita Milk Production

2004 versus 2003 & 1999 - By State

- January through June Data -

States	Per Capita Milk Production			Change In Per Capita Milk Production			
	2004	2003	1999	2004 vs 2003		2004 vs 1999	
				Pounds	Percent	Pounds	Percent
1 Idaho	3,244.5	3,146.4	2,443.9	98.1	3.1	800.6	32.8
2 Vermont	2,111.1	2,177.3	2,307.4	-66.2	-3.0	-196.3	-8.5
3 Wisconsin	2,039.9	2,056.5	2,229.3	-16.6	-0.8	-189.4	-8.5
4 New Mexico	1,843.0	1,788.1	1,363.9	54.9	3.1	479.1	35.1
5 South Dakota	877.9	879.2	1,018.9	-1.3	-0.1	-141.0	-13.8
6 Minnesota	819.1	844.0	1,023.1	-24.9	-3.0	-204.0	-19.9
7 Iowa	625.3	660.0	679.9	-34.7	-5.3	-54.6	-8.0
8 California	512.2	506.5	453.7	5.7	1.1	58.5	12.9
9 Washington	446.1	458.3	478.3	-12.2	-2.7	-32.2	-6.7
10 North Dakota	418.1	451.2	558.7	-33.1	-7.3	-140.6	-25.2
11 Pennsylvania	414.9	435.6	464.6	-20.7	-4.8	-49.7	-10.7
12 Kansas	405.7	396.5	267.5	9.2	2.3	138.2	51.7
13 Utah	338.5	345.3	373.7	-6.8	-2.0	-35.2	-9.4
14 Arizona	337.8	330.8	329.2	7.0	2.1	8.6	2.6
15 Oregon	314.1	305.4	249.7	8.7	2.8	64.4	25.8
16 Michigan	312.3	312.1	275.9	0.2	0.1	36.4	13.2
17 New York	307.8	318.7	334.6	-10.9	-3.4	-26.8	-8.0
18 Nebraska	305.9	339.8	337.3	-33.9	-10.0	-31.4	-9.3
19 Colorado	242.4	240.0	210.3	2.4	1.0	32.1	15.3
20 Indiana	236.8	236.6	187.6	0.2	0.1	49.2	26.2
21 Maine	235.9	242.0	281.7	-6.1	-2.5	-45.8	-16.3
22 Ohio	201.5	200.6	198.5	0.9	0.4	3.0	1.5
23 Montana	188.5	188.5	171.1	0.0	0.0	17.4	10.2
24 Oklahoma	187.7	191.7	191.2	-4.0	-2.1	-3.5	-1.8
25 Kentucky	179.5	189.7	215.9	-10.2	-5.4	-36.4	-16.9
26 Missouri	169.3	175.5	218.2	-6.2	-3.5	-48.9	-22.4
27 Texas	143.1	133.0	152.6	10.1	7.6	-9.5	-6.2
28 New Hampshire	119.6	122.7	136.5	-3.1	-2.5	-16.9	-12.4
29 Virginia	117.2	124.0	137.2	-6.8	-5.5	-20.0	-14.6
30 Nevada	111.1	108.0	136.0	3.1	2.9	-24.9	-18.3
31 Maryland	110.9	115.6	133.0	-4.7	-4.1	-22.1	-16.6
32 Tennessee	106.1	111.3	137.1	-5.2	-4.7	-31.0	-22.6
33 Georgia	87.9	90.7	101.7	-2.8	-3.1	-13.8	-13.6
34 Delaware	82.0	89.3	116.1	-7.3	-8.2	-34.1	-29.4
35 Illinois	81.2	84.3	87.5	-3.1	-3.7	-6.3	-7.2
36 Mississippi	73.9	83.3	111.6	-9.4	-11.3	-37.7	-33.8
37 Florida	71.8	69.4	88.9	2.4	3.5	-17.1	-19.2
38 Arkansas	63.5	70.8	107.0	-7.3	-10.3	-43.5	-40.7
39 North Carolina	62.2	65.5	82.1	-3.3	-5.0	-19.9	-24.2
40 Louisiana	60.5	64.9	91.7	-4.4	-6.8	-31.2	-34.0
41 Wyoming	59.9	53.1	81.3	6.8	12.8	-21.4	-26.3
42 Connecticut	58.3	61.7	82.3	-3.4	-5.5	-24.0	-29.2
43 West Virginia	58.0	63.0	77.5	-5.0	-7.9	-19.5	-25.2
44 South Carolina	37.4	43.9	51.7	-6.5	-14.8	-14.3	-27.7
45 Hawaii	34.6	38.4	53.2	-3.8	-9.9	-18.6	-35.0
46 Alabama	30.4	30.9	47.1	-0.5	-1.6	-16.7	-35.5
47 Massachusetts	23.5	27.5	34.7	-4.0	-14.5	-11.2	-32.3
48 New Jersey	12.3	13.2	18.2	-0.9	-6.8	-5.9	-32.4
49 Alaska	11.4	13.6	11.4	-2.2	-16.2	0.0	0.0
50 Rhode Island	9.7	10.9	16.2	-1.2	-11.0	-6.5	-40.1
<b>U.S. Totals</b>	<b>297.1</b>	<b>299.3</b>	<b>302.7</b>	<b>-2.2</b>	<b>-0.7</b>	<b>-5.6</b>	<b>-1.9</b>

**Data Sources:**

Milk production Data: **Milk Production**, July 2004, National Agricultural Statistics Service, Agriculture Statistics Board, USDA  
 Population Data : U.S. Census Bureau, Department of Commerce. (July 1st population estimates for each year)

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	7/2004	6/2004	7/2004	6/2004	7/2004	6/2004
Pacific Northwest	15.74	17.45	0.89	-0.23	26.75	27.70
Arizona-Las Vegas	16.19	17.97	-----	-----	32.39	28.74
<b>Central</b>	<b>16.03</b>	<b>18.23</b>	<b>1.18</b>	<b>0.55</b>	<b>27.08</b>	<b>26.00</b>
Southwest	17.08	19.40	2.23	1.72	37.56	40.37
Upper Midwest	15.57	17.98	0.72	0.30	16.10	15.89
Southeast	19.10	20.11	-----	-----	68.71	53.56
Mideast	16.55	18.56	1.70	0.88	34.99	30.52
Appalachian	18.94	20.54	-----	-----	67.28	60.87
Northeast	17.64	19.70	2.79	2.02	43.36	45.84
Florida	21.01	22.93	-----	-----	87.81	78.42

(continued from page 2) . . .

The graphics on page 5 depict the states with the largest percentage increases and decreases comparing the first six months of 2004 with 1999. The graph on page 6 ranks the top five milk producing states in total milk production, production per cow, and production per capita during the first six months of 2004.

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