

MARKETING SERVICE

BULLETIN

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

United States milk production for 2004 was a record 170.805 billion pounds as indicated by published USDA data. The 2004 total slightly edged out the 2003 record of 170.395 billion pounds. However, because of the extra day in 2004, the percentage change on an average daily basis was a negative 0.03 percent. Since 1991, there have only been three years during which total milk production decreased from year earlier levels -- 1993, 1996, and 2001.



Dairy analysts are currently debating whether the shortage of milk in the United States is "real or perceived." The continued closing of the Canadian border as a result of the mad cow "incident" and the cutback of Monsanto's bST production are often quoted causes for this "shortage." Low milk prices in early 2003 coupled with attractive beef prices may have resulted in higher-than-normal numbers of dairy cattle moving to slaughter. Deficits may or may not be "national" in scope. Regional milk production compared with regional utilizations may create "localized" surpluses and deficits.

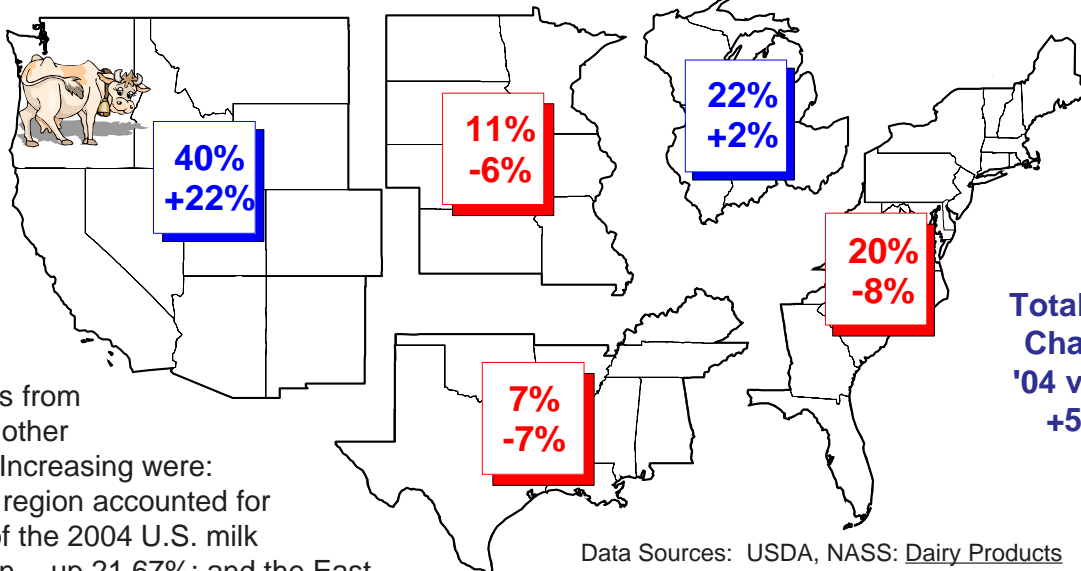
This bulletin addresses the question, "Where's The Milk" being produced or utilized? The map graphics and data tables contained in this bulletin illustrate the regional production of milk, cheese, butter, nonfat dry milk, and ice cream. The top number shown in each map region provides the percentage of the total 2004 U.S. production for the product depicted by the respective map. The bottom number provides the percentage change,

Regional Milk Production As A Percent Of 2004 Total U.S. Milk Production With Percent Change In Production: 2004 vs 1999

U.S. 2004 milk production increased 8.2 billion pounds compared with 1999. This increase did not meet the milk needs of increased cheese production during the same period which used approximately 10.0 billion pounds of milk

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Two regions increased milk production from 1999 levels which offset the decreases from the three other regions. Increasing were: the West region accounted for 40.05% of the 2004 U.S. milk production -- up 21.67%; and the East North Central region which accounted for 22.19% of the total production -- up 1.66%. The data table for milk production can be found on the back page.



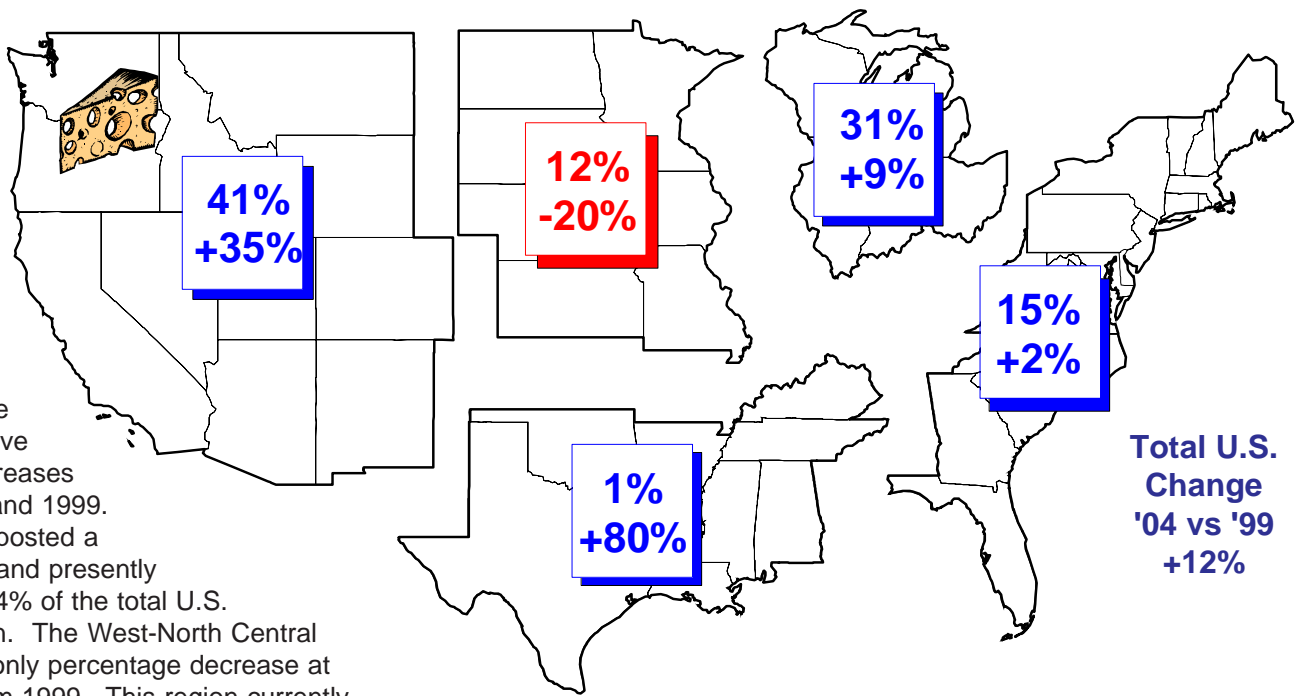
Total U.S. Change '04 vs '99 +5 %

Data Sources: USDA, NASS: Dairy Products April 2005 & Milk Production February 2005.



Regional Cheese Production As A Percent Of 2004 Total U.S. Cheese Production With Percent Change In Production: 2004 vs 1999

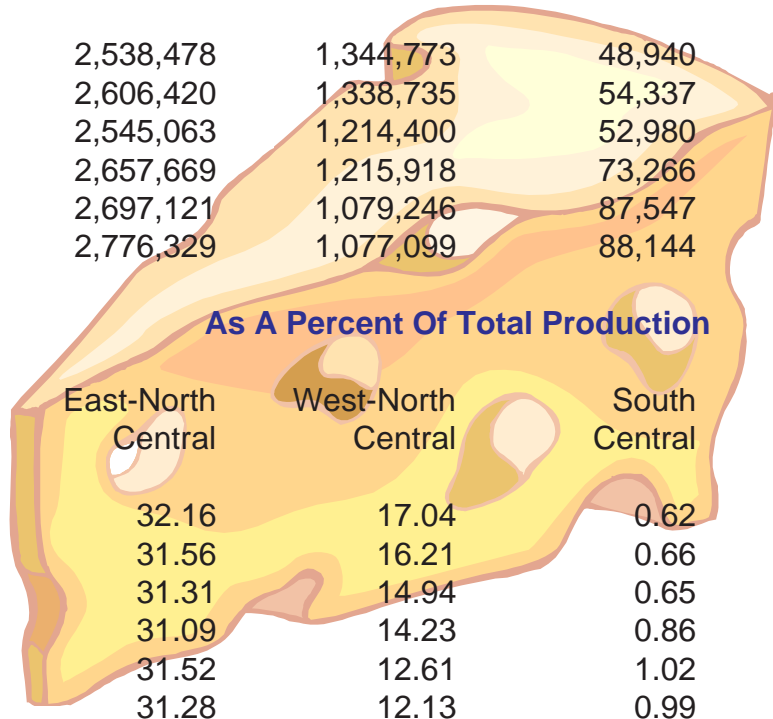
U.S. cheese production totaled 8.876 billion pounds during 2004 - up 3.45% on a daily basis from 2003. U.S. cheese production during 2004 was 12.14% higher than the 7.894 billion pounds recorded in 1999. As depicted by the map, four of the five regions noted increases comparing 2004 and 1999. The West region posted a 34.62% increase and presently accounts for 40.94% of the total U.S. cheese production. The West-North Central region noted the only percentage decrease at 20.12 percent from 1999. This region currently produces 12.13% of the total U.S. cheese production.



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

Milk used in cheese production in the West region increased approximately 9.420 billion lbs. from 1999 to 2004. For comparison purposes, Minnesota's 2004 milk production totaled 8.102 billion lbs.

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1999	1,270,010	2,538,478	1,344,773	48,940	2,691,899	7,894,100
2000	1,325,296	2,606,420	1,338,735	54,337	2,933,210	8,257,998
2001	1,290,457	2,545,063	1,214,400	52,980	3,026,194	8,129,094
2002	1,305,841	2,657,669	1,215,918	73,266	3,294,573	8,547,267
2003	1,298,637	2,697,121	1,079,246	87,547	3,394,692	8,557,243
2004	1,301,021	2,776,329	1,077,099	88,144	3,633,870	8,876,463



As A Percent Of Total Production

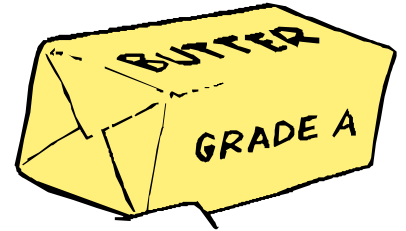
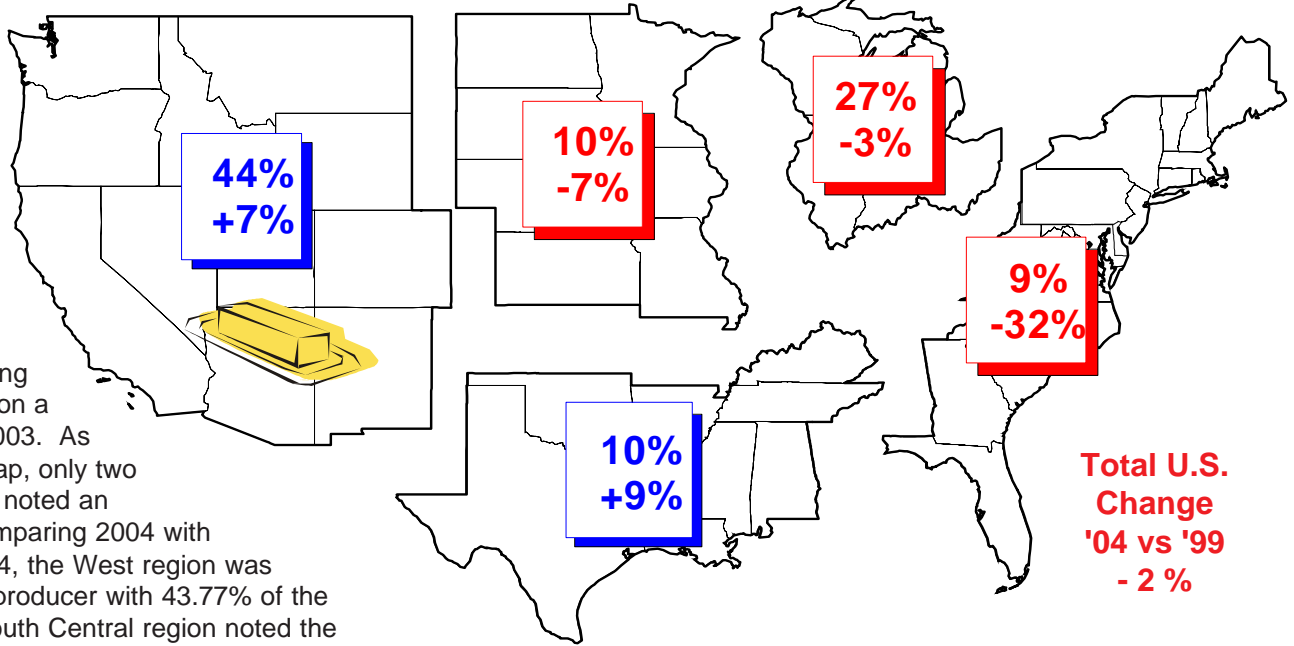
	Atlantic	East-North Central	West-North Central	South Central	West
1999	16.09	32.16	17.04	0.62	34.10
2000	16.05	31.56	16.21	0.66	35.52
2001	15.87	31.31	14.94	0.65	37.23
2002	15.28	31.09	14.23	0.86	38.55
2003	15.18	31.52	12.61	1.02	39.67
2004	14.66	31.28	12.13	0.99	40.94

Data May Not Add Due To Rounding

Regional Butter Production As A Percent Of 2004 Total U.S. Butter Production With Percent Change In Production: 2004 vs 1999

U.S. butter production increased during 2004. This was the only the third year-to-year increase since 1992. The other increases were in 1999 & 2002.

Butter production totaled 1.250 billion pounds during 2004 -- up 0.31% on a daily basis from 2003. As depicted by the map, only two of the five regions noted an increase when comparing 2004 with 1999. During 2004, the West region was the largest butter producer with 43.77% of the U.S. total. The South Central region noted the largest percentage increase from 1999 at 8.53% on a daily basis. However, this region lost a percentage point of market share dropping from 10.82% to 9.99% of the U.S. total.



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

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1999	172,013	349,758	128,889	114,667	511,763	1,277,090
2000	153,671	327,169	111,766	117,766	545,660	1,256,032
2001	139,578	368,168	105,711	110,593	507,788	1,231,838
2002	149,355	388,236	113,998	146,785	556,773	1,355,147
2003	125,288	345,685	101,861	134,443	535,083	1,242,360
2004	116,703	340,945	120,293	124,784	546,953	1,249,678

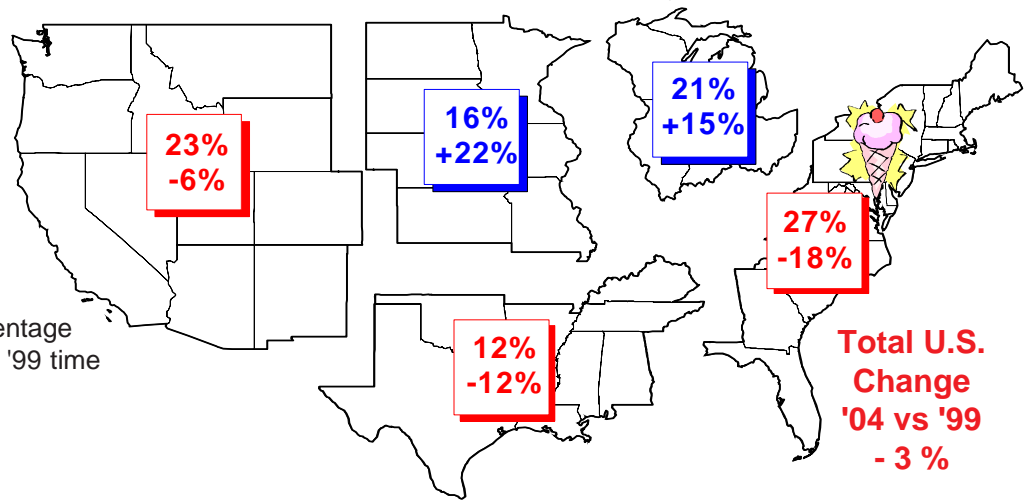
As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
1999	13.47	27.39	10.09	8.98	40.07
2000	12.23	26.05	8.90	9.38	43.44
2001	11.33	29.89	8.58	8.98	41.22
2002	11.02	28.65	8.41	10.83	41.09
2003	10.08	27.82	8.20	10.82	43.07
2004	9.34	27.28	9.63	9.99	43.77

Data May Not Add
Due To Rounding

U.S. ice cream production decreased 3.20% on a daily basis when comparing 2004 with 1999. Ice cream production totaled 943.7 million gallons during 2004, down from 972.2 million gallons in 1999. As depicted by the map, three of the five regions noted decreases ('04 vs. '99). The Atlantic region accounted for the largest percentage of ice cream produced at 27.39%, yet noted the largest percentage decrease of 17.51%. The West-North Central region accounted for the largest percentage increase (+21.82%) during the '04 vs. '99 time period.

Regional Ice Cream Production As A Percent Of 2004 Total U.S. Ice Cream Production With Percent Change In Production: 2004 vs 1999



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

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1999	312,524	174,479	124,702	130,022	230,483	972,210
2000	282,633	193,159	142,796	127,670	233,387	979,645
2001	276,337	193,108	146,920	121,940	231,816	970,121
2002	301,581	201,164	165,026	124,727	212,494	1,004,992
2003	288,968	204,992	159,330	115,876	223,710	992,876
2004	258,495	201,821	152,323	114,554	216,466	943,659

As A Percent Of Total Production

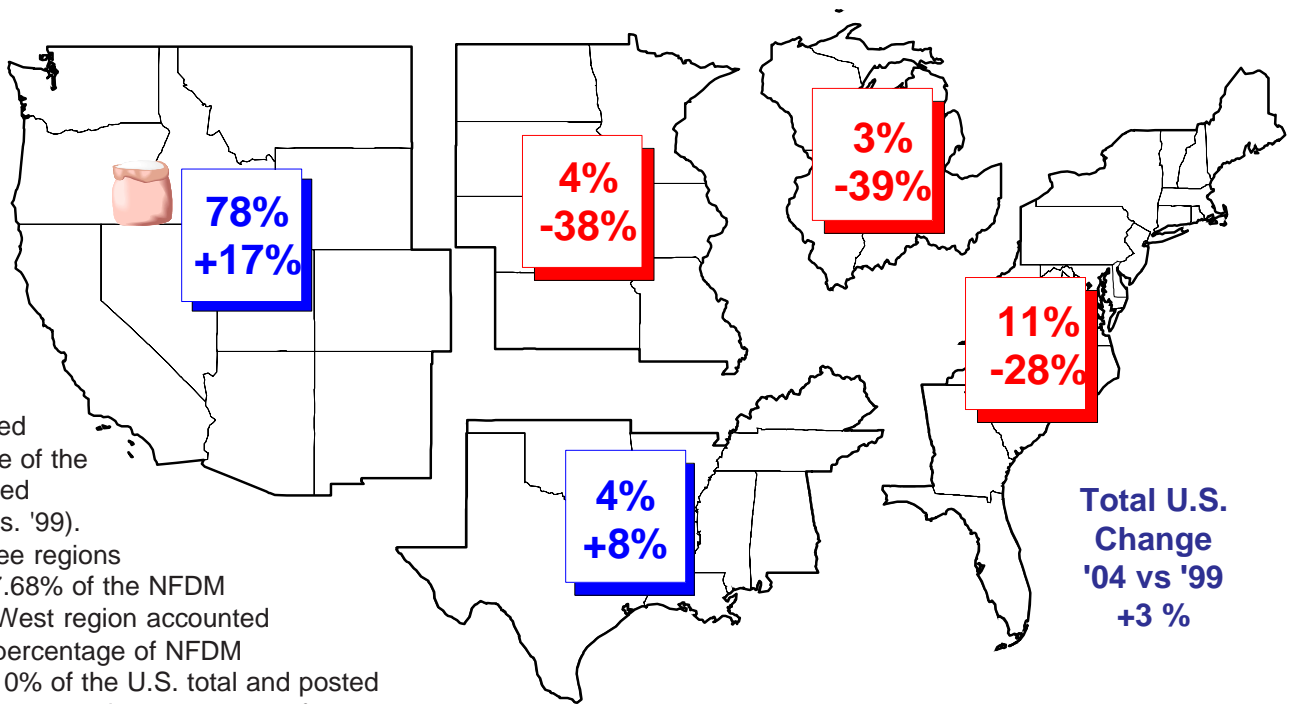
	Atlantic	East-North Central	West-North Central	South Central	West
1999	32.15	17.95	12.83	13.37	23.71
2000	28.85	19.72	14.58	13.03	23.82
2001	28.48	19.91	15.14	12.57	23.90
2002	30.01	20.02	16.42	12.41	21.14
2003	29.10	20.65	16.05	11.67	22.53
2004	27.39	21.39	16.14	12.14	22.94

Data May Not Add Due To Rounding

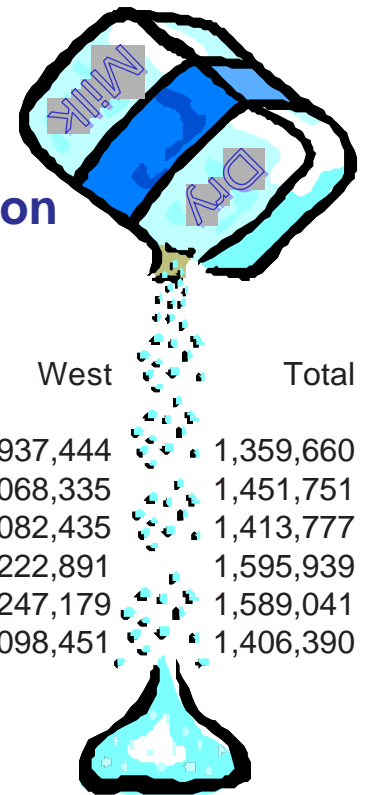
	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May '05	Apr '05	May '05	Apr '05	May '05	Apr '05
Northeast	15.35	15.52	1.58	0.91	42.06	42.84
Appalachian	15.85	15.92	-----	-----	57.52	61.65
Florida	17.28	17.30	-----	-----	73.28	78.93
Southeast	15.73	15.85	-----	-----	52.55	56.54
Upper Midwest	14.05	14.65	0.28	0.04	16.10	53.40
Central	14.21	14.59	0.44	-0.02	25.79	46.98
Mideast	14.40	14.76	0.63	0.15	30.21	36.46
Pacific Northwest	13.98	14.12	0.21	-0.49	28.66	39.01
Southwest	15.10	15.28	1.33	0.67	39.73	49.00
Arizona-Las Vegas	14.21	14.59	-----	-----	28.52	30.62

Regional NFDM Production As A Percent Of 2004 Total U.S. NFDM Production With Percent Change In Production: 2004 vs 1999

U.S. nonfat dry milk production decreased 11.74% on a daily basis when comparing 2004 with 2003 -- falling from a "decade high" 1.596 billion pounds during 2002. As depicted by the map, three of the five regions posted decreases ('04 vs. '99). Together the three regions accounted for 17.68% of the NFDM produced. The West region accounted for the greatest percentage of NFDM produced at 78.10% of the U.S. total and posted the largest percentage gain -- up 16.85% from 1999.



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



	Atlantic	East-North Central	West-North Central	South Central	West	Total
1999	213,639	58,419	95,410	54,748	937,444	1,359,660
2000	153,642	57,205	97,360	75,209	1,068,335	1,451,751
2001	147,823	48,493	77,085	57,941	1,082,435	1,413,777
2002	171,276	52,853	75,320	73,599	1,222,891	1,595,939
2003	157,620	48,314	67,313	68,615	1,247,179	1,589,041
2004	153,478	35,570	59,584	59,307	1,098,451	1,406,390

As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
1999	15.71	4.30	7.02	4.03	68.95
2000	10.58	3.94	6.71	5.18	73.59
2001	10.46	3.43	5.45	4.10	76.56
2002	10.73	3.31	4.72	4.61	76.63
2003	9.92	3.04	4.24	4.32	78.49
2004	10.91	2.53	4.24	4.22	78.10

Data May Not Add
Due To Rounding

Total U.S. Milk Production

By Region (Million Lbs.)

	<u>Atlantic</u>	<u>East-North Central</u>	<u>West-North Central</u>	<u>South Central</u>	<u>West</u>	<u>Total</u>
1999	37,074	37,180	20,169	12,096	56,070	162,589
2000	36,985	37,938	20,640	12,229	59,600	167,393
2001	36,286	36,951	19,336	11,288	61,470	165,331
2002	36,611	37,378	19,287	11,263	65,524	170,063
2003	35,100	38,117	19,063	11,160	66,955	170,395
2004	34,294	37,900	18,932	11,271	68,408	170,805

As A Percent Of Total Production

	<u>Atlantic</u>	<u>East-North Central</u>	<u>West-North Central</u>	<u>South Central</u>	<u>West</u>
1999	22.80	22.86	12.40	7.44	34.49
2000	22.09	22.66	12.33	7.31	35.61
2001	21.95	22.35	11.70	6.83	37.18
2002	21.53	21.98	11.34	6.62	38.53
2003	20.60	22.37	11.19	6.55	39.29
2004	20.08	22.19	11.08	6.60	40.05

Data May Not Add
Due To Rounding

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