



MARKETING SERVICE

B U L L E T I N

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

United States milk production for 2005 increased by 3.5% compared with 2004 to a record 177.0 billion. The 2005 total was 6.1 billion pounds greater than 2004's record of 170.9 billion pounds. Milk production has exceeded year earlier levels in eight of the last nine years, with the lone exception occurring during 2001. Since 1991, there have only been three years during which total milk production decreased from year earlier levels -- 1993, 1996, and 2001.



This bulletin addresses the question, "Where's The Milk" being produced and utilized? The map graphics and data tables contained in this bulletin illustrate regional production of milk, cheese, butter, nonfat dry milk, and ice cream. The top number shown in each region provides the proportion of total 2005 U.S. production for the product depicted by the respective map. The bottom number provides the percentage change, on an average daily basis, in production of the product comparing 2005 with 2000.

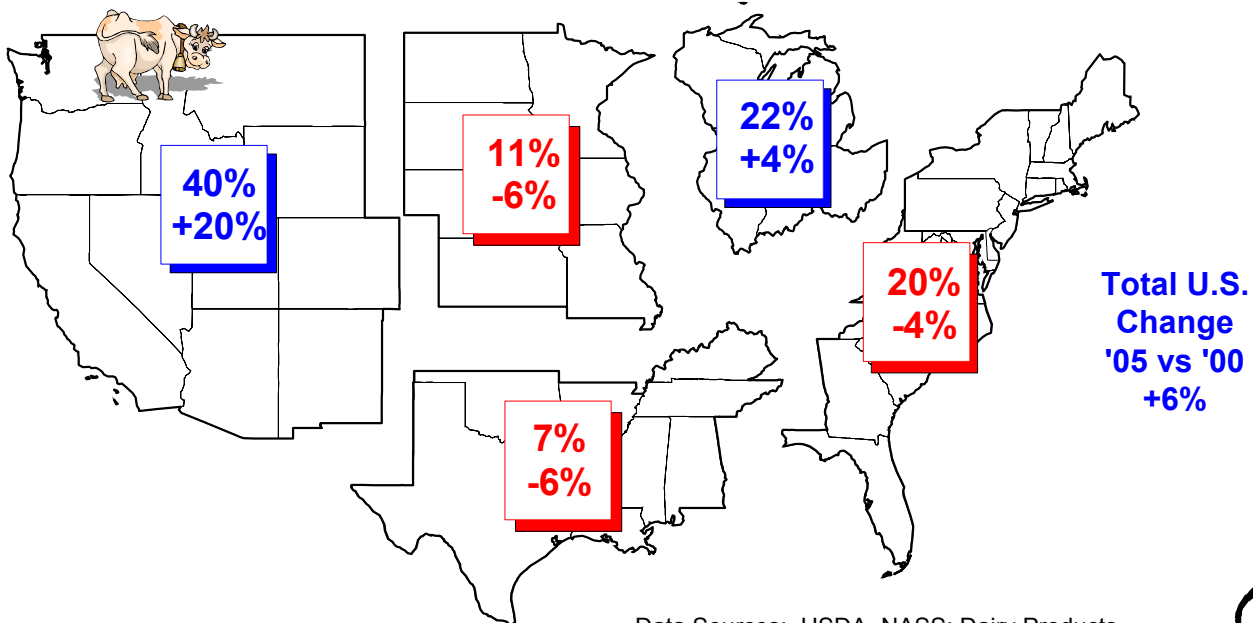
The West and East North Central (ENC) Regions increased milk production from 2000 levels - these increases more than offset the decreases from the three other regions. The West Region accounted for 40.34% of U.S. milk production in 2005, up 20.11% on a daily basis compared with 2000. The ENC Region accounted for 22.30% of total U.S. production, with production increasing by 4.32% versus 2000. The data table for milk production can be found on the back page of this bulletin.

U.S. milk production in 2005 increased 9.6 billion pounds compared with 2000. The additional milk required to meet increased cheese production during the same period was approximately 8.7 billion pounds.

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Regional Milk Production As A Percent Of 2005 Total U.S. Milk Production With Percent Change In Production: 2005 vs 2000

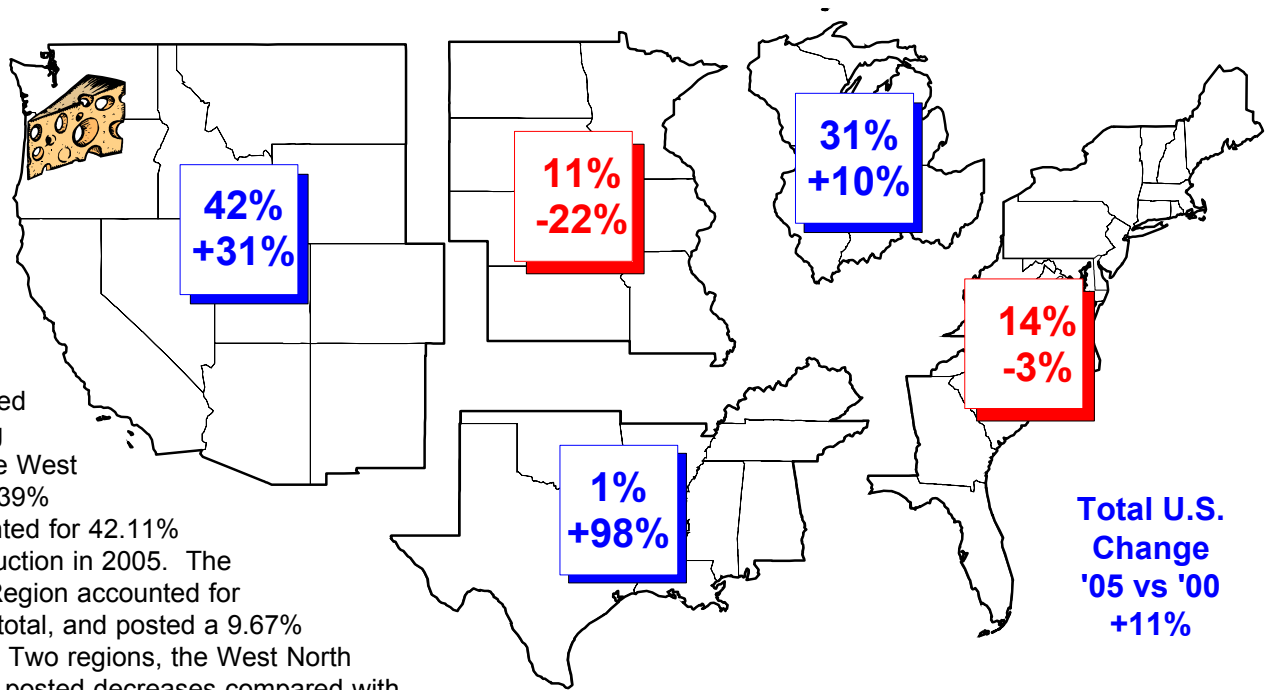


Data Sources: USDA, NASS: Dairy Products April 2006 & Milk Production February 2006.



Regional Cheese Production As A Percent Of 2005 Total U.S. Cheese Production With Percent Change In Production: 2005 vs 2000

U.S. cheese production totaled 9.127 billion pounds during 2005. On a daily basis, the 2005 total was an increase of 3.11% compared with 2004, and it is 10.83% greater than the amount produced in 2000. As depicted by the accompanying map, three regions recorded increases comparing 2005 with 2000. The West Region posted a 31.39% increase and accounted for 42.11% of U.S. cheese production in 2005. The East North Central Region accounted for 31.23% of the 2005 total, and posted a 9.67% increase over 2000. Two regions, the West North Central and Atlantic, posted decreases compared with 2000. These regions recorded declines of 21.86% and 2.95%, respectively. Although the South Central Region increased production by 98% compared with 2000, it accounted for just 1.17% of total U.S. cheese production in 2005.



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

Milk used in cheese production in the West region increased approximately 9.1 billion lbs. from 2000 to 2005. For comparison purposes, Minnesota's 2005 milk production totaled 8.2 billion lbs.

| | Atlantic | East-North Central | West-North Central | South Central | West | Total |
|------|-----------|--------------------|--------------------|---------------|-----------|-----------|
| 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 |
| 2005 | 1,282,696 | 2,850,589 | 1,043,265 | 107,221 | 3,843,336 | 9,127,107 |

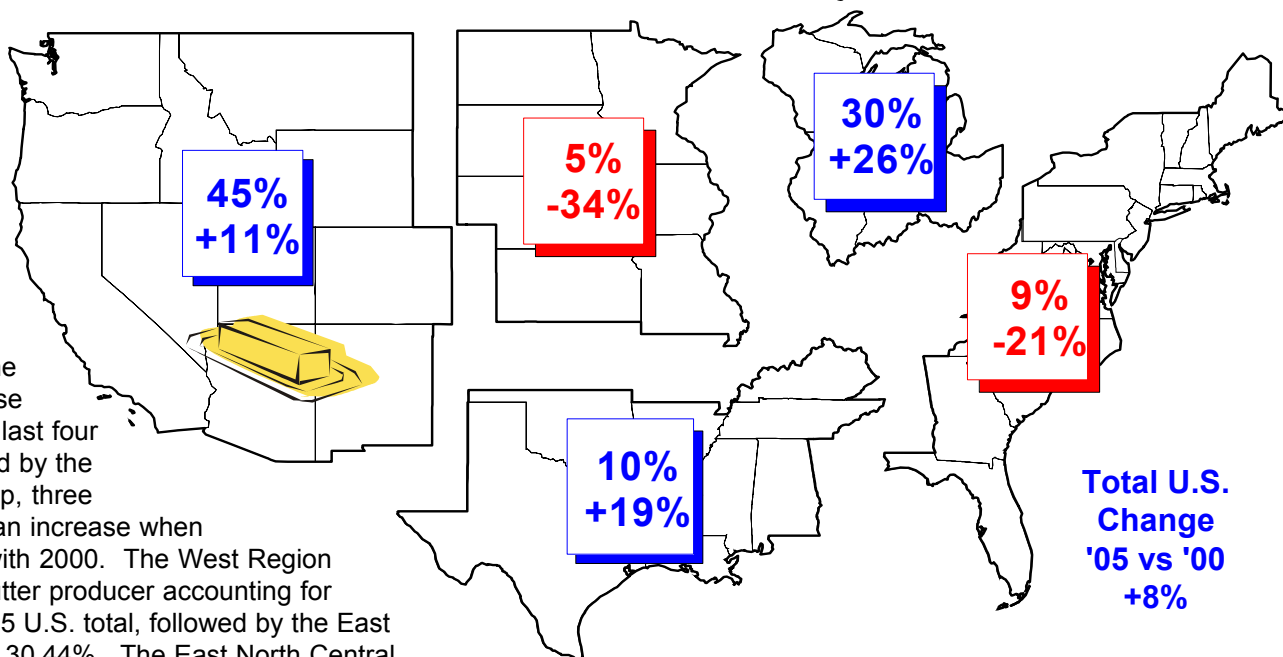
As A Percent Of Total Production

| | Atlantic | East-North Central | West-North Central | South Central | West |
|------|----------|--------------------|--------------------|---------------|-------|
| 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 |
| 2005 | 14.05 | 31.23 | 11.43 | 1.17 | 42.11 |

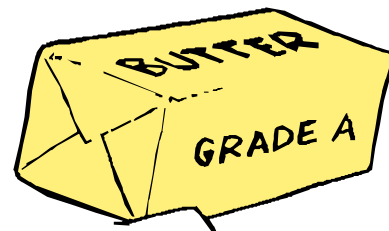
Data May Not Add Due To Rounding

Regional Butter Production As A Percent Of 2005 Total U.S. Butter Production With Percent Change In Production: 2005 vs 2000

U.S. butter production increased by 7.55% on a daily basis comparing 2005 with 2000. Butter production totaled 1.347 billion pounds during 2005 -- up 8.10% on a daily basis from 2004. This was the third yearly increase recorded over the last four years. As depicted by the accompanying map, three regions recorded an increase when comparing 2005 with 2000. The West Region was the largest butter producer accounting for 44.79% of the 2005 U.S. total, followed by the East North Central with 30.44%. The East North Central Region also posted the largest percentage gain compared with 2000, with an increase of 25.69%. The West North Central region had the largest decrease (-34.16%) and produced the least butter during 2005, accounting for 5.45% of the total.



U.S.



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

| | Atlantic | East-North Central | West-North Central | South Central | West | Total |
|------|----------|-----------------------|-----------------------|------------------|---------|-----------|
| 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 |
| 2005 | 120,407 | 410,099 | 73,387 | 139,915 | 603,419 | 1,347,227 |

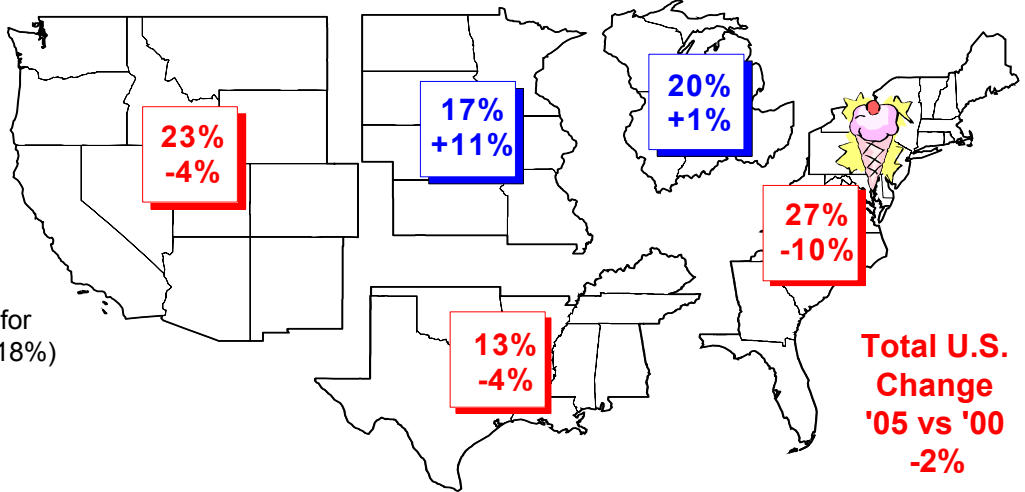
As A Percent Of Total Production

| | Atlantic | East-North Central | West-North Central | South Central | West |
|------|----------|-----------------------|-----------------------|------------------|-------|
| 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 |
| 2005 | 8.94 | 30.44 | 5.45 | 10.39 | 44.79 |

Data May Not Add
Due To Rounding

U.S. ice cream production decreased by 2.45% on a daily basis comparing 2005 with 2000. Ice cream production totaled 0.953 billion gallons during 2005, down from 0.980 billion gallons in 2000. As depicted by the accompanying map, three regions recorded decreases comparing 2005 with 2000. The Atlantic Region accounted for the largest proportion of U.S. ice cream production at 26.68%, yet this region posted the largest percentage decrease with a loss of 9.78%. The West-North Central region accounted for the largest percentage increase (+11.18%) during the 2005 vs. 2000 time period.

Regional Ice Cream Production As A Percent Of 2005 Total U.S. Ice Cream Production With Percent Change In Production: 2005 vs 2000



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

| | Atlantic | East-North Central | West-North Central | South Central | West | Total |
|------|----------|--------------------|--------------------|---------------|---------|-----------|
| 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 |
| 2005 | 254,297 | 194,712 | 158,332 | 122,409 | 223,280 | 953,030 |

As A Percent Of Total Production

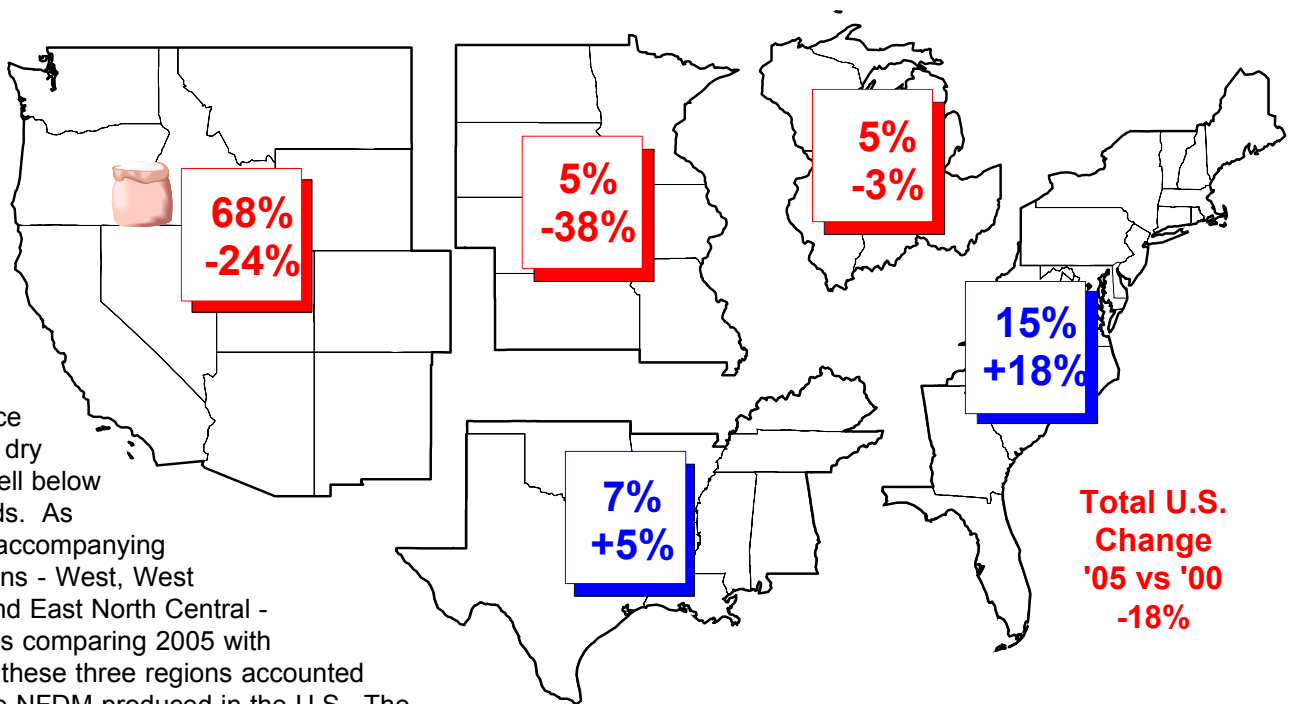
| | Atlantic | East-North Central | West-North Central | South Central | West |
|------|----------|--------------------|--------------------|---------------|-------|
| 2000 | 28.85 | 19.72 | 14.58 | 13.03 | 23.82 |
| 2001 | 28.48 | 19.91 | 15.14 | 12.57 | 23.90 |
| 2002 | 30.01 | 20.02 | 16.42 | 12.41 | 21.14 |
| 2003 | 29.10 | 20.65 | 16.05 | 11.67 | 22.53 |
| 2004 | 27.39 | 21.39 | 16.14 | 12.14 | 22.94 |
| 2005 | 26.68 | 20.43 | 16.61 | 12.84 | 23.43 |

Data May Not Add Due To Rounding

| | Statistical Uniform Price | | Producer Price Differential | | Class I Utilization | |
|-------------------|---------------------------|--------------|-----------------------------|-------------|---------------------|--------------|
| | May '06 | Apr '06 | May '06 | Apr '06 | May '06 | Apr '06 |
| Northeast | 12.61 | 12.64 | 1.78 | 1.71 | 43.23 | 41.46 |
| Appalachian | 13.05 | 13.01 | ----- | ----- | 60.54 | 56.25 |
| Florida | 14.28 | 14.36 | ----- | ----- | 80.43 | 79.12 |
| Southeast | 12.90 | 12.94 | ----- | ----- | 54.48 | 50.67 |
| Upper Midwest | 11.21 | 11.29 | 0.38 | 0.36 | 16.92 | 16.13 |
| Central | 11.42 | 11.49 | 0.59 | 0.56 | 25.81 | 25.90 |
| Mideast | 11.65 | 11.75 | 0.82 | 0.82 | 35.44 | 34.17 |
| Pacific Northwest | 11.30 | 11.35 | 0.47 | 0.42 | 27.04 | 25.84 |
| Southwest | 12.26 | 12.41 | 1.43 | 1.48 | 33.71 | 35.55 |
| Arizona-Las Vegas | 11.62 | 11.66 | ----- | ----- | 34.28 | 32.26 |

Regional NFDM Production As A Percent Of 2005 Total U.S. NFDM Production With Percent Change In Production: 2005 vs 2000

U.S. nonfat dry milk production decreased by 18.07% on a daily basis, comparing 2005 with 2000. Production totalled 1.186 billion pounds in 2005, and was the first year since 1998 that nonfat dry milk production fell below 1.2 billion pounds. As depicted by the accompanying map, three regions - West, West North Central, and East North Central - posted decreases comparing 2005 with 2000. Together these three regions accounted for 78.13% of the NFDM produced in the U.S. The West Region accounted for the greatest proportion of production at 68.37% of the U.S. total. The Atlantic Region produced the second most nonfat dry milk with 15.24% of the total.



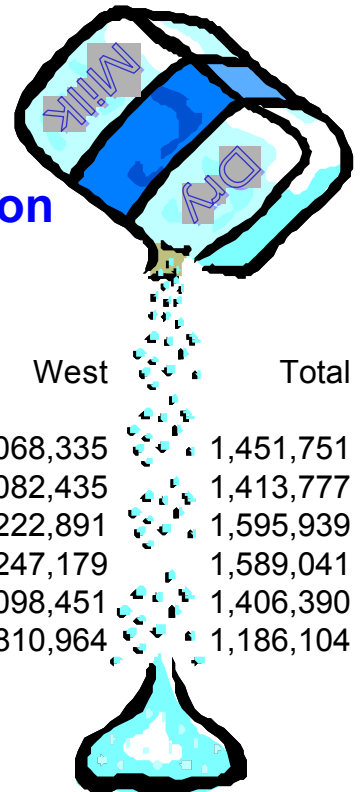
Total U.S. Nonfat Dry Milk Production By Region (Thousand Lbs.)

| | Atlantic | East-North Central | West-North Central | South Central | West | Total |
|------|----------|--------------------|--------------------|---------------|-----------|-----------|
| 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 |
| 2005 | 180,817 | 55,131 | 60,559 | 78,633 | 810,964 | 1,186,104 |

As A Percent Of Total Production

| | Atlantic | East-North Central | West-North Central | South Central | West |
|------|----------|--------------------|--------------------|---------------|-------|
| 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 |
| 2005 | 15.24 | 4.65 | 5.11 | 6.63 | 68.37 |

Data May Not Add Due To Rounding



Total U.S. Milk Production

By Region (Million Lbs.)

| | Atlantic | East-North Central | West-North Central | South Central | West | Total |
|------|----------|-----------------------|-----------------------|------------------|--------|---------|
| 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 | 34,305 | 37,980 | 18,938 | 11,275 | 68,436 | 170,934 |
| 2005 | 35,238 | 39,468 | 19,407 | 11,486 | 71,390 | 176,989 |

As A Percent Of Total Production

| | Atlantic | East-North Central | West-North Central | South Central | West | Total |
|------|----------|-----------------------|-----------------------|------------------|-------|-------|
| 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 | 20.07 | 22.22 | 11.08 | 6.60 | 40.04 | |
| 2005 | 19.91 | 22.30 | 10.97 | 6.49 | 40.34 | |

Data May Not Add
Due To Rounding

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