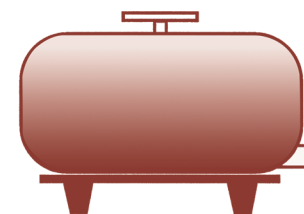


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B U L L E T I N



U.S. milk production during the first six months of 2006 totaled 92.4 billion pounds -- a 3.7% increase compared with the previous year's 89.2 billion pound total. Wyoming recorded the largest percentage gain during the first six months of 2006 with a 72.0% increase. New Mexico (+15.2%) and Texas (+12.8%) were the only other states to post double digit gains, while Colorado (+8.7%), Idaho (+8.2%), Arizona (+7.3%), and Nevada (+5.7%) registered production increases of more than 5.0%.

Nine states recorded 2006 first half milk production decreases of 5.0% or more, led by Alaska's decline of 33.8%. Hawaii (-18.3%), Mississippi (-12.8%), Delaware (-8.7%), Louisiana (-8.3%), Alabama (-7.9%), Arkansas (-7.6%), North Carolina (-5.9%), and Florida (-5.7%) were the other states with decreases surpassing 5.0%.

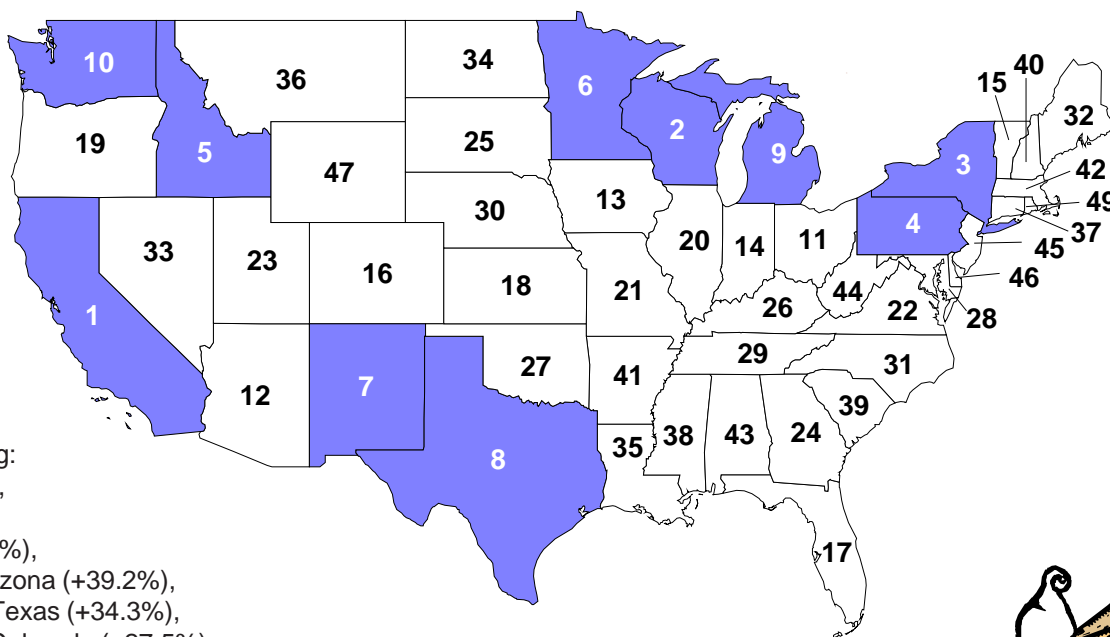
The map on this page details the state ranking in milk production for the first half of 2006. The top ten milk producing states are shaded. The graphics on page 4 depict the states with the largest percentage increases and decreases in milk production comparing the first half of 2006 with the comparable period of 2001.

Twenty-five states registered milk production increases comparing the first six months of 2006 with first half production during 2005. The average percentage increase for these 25 states was 7.3%. The remaining 25 states recorded production decreases, with an average percentage decrease of 5.9%.

Comparing January through June 2006 with the same period of 2001, milk production in the United States increased by 8.5 billion pounds, or 10.1%.

Twenty states reported milk production increases led by Wyoming's 85.0% gain. These states increased production 17.3%, with 14 of the 20 posting increases of more than 10.0%. These 14 include the following: Wyoming (+85.0%), Kansas (+47.9%), New Mexico (+43.9%), Idaho (+40.7%), Arizona (+39.2%), Oregon (+35.6%), Texas (+34.3%), Indiana (+28.7%), Colorado (+27.5%), Michigan (+19.4%), California (+18.4%), Nevada (+15.2%), Ohio (+14.3%), and Montana (+12.9%).

2006 First Half Milk Production Ranking Top Ten States Highlighted



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Thirty states recorded production declines comparing the first six months of 2006 with 2001. The aggregate decrease for these states was 8.7%, with 20 recording percentage decreases greater than the average loss.

These states were:

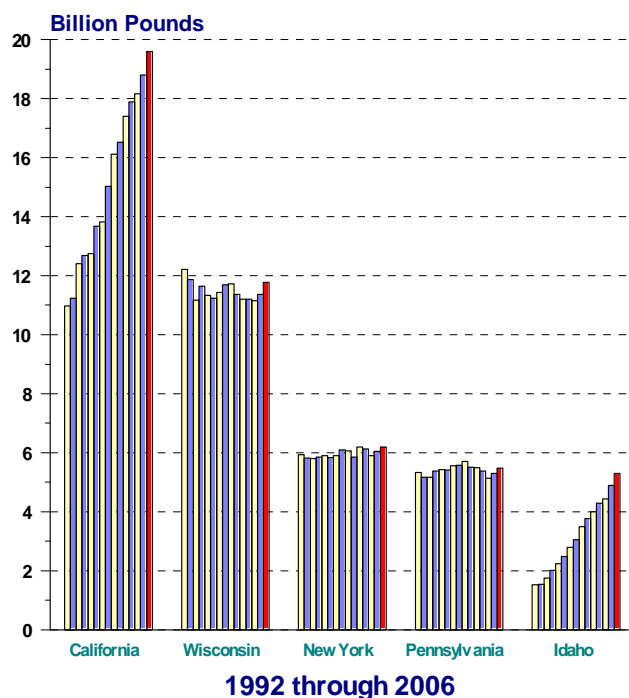
Hawaii	-47.0%	Arkansas	-39.8%	Louisiana	-35.1%
Mississippi	-32.6%	Alaska	-30.3%	Alabama	-29.9%
South Carolina	-23.1%	Rhode Island	-20.8%	Tennessee	-20.0%
New Jersey	-20.0%	Massachusetts	-19.9%	Connecticut	-19.3%
Kentucky	-19.3%	West Virginia	-19.2%	North Dakota	-19.1%
Delaware	-18.2%	North Carolina	-17.2%	Maine	-12.0%
Maryland	-11.6%	Florida	-10.6%		

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 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 2006 compared with the same period of 2001 increased by 40.7% and 18.4%, respectively. New York (+5.5%) and Wisconsin (+3.6%) also posted increases, while Pennsylvania (-0.6%) recorded the lone decrease in milk production compared with 2001.

The map on page 6 provides a ranking of states based on milk production per cow during the first six months of 2006. California, Idaho, New Mexico, Texas, Michigan, and Washington rank in the top ten in total milk production and milk production per cow.

January - June Milk Production

Top Five Dairy States



2006 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 2006, 2005, and 2001. This table lists the states in descending order based on January through June 2006 per capita production. States with per capita production of more than 300 pounds are inside the shaded area of the table. Seven of the top ten states in total production during the first six months of 2006 are also in the top ten in per capita production. These seven are California, Wisconsin, Pennsylvania, Idaho, Minnesota, New Mexico, and Washington.

Per capita production for the first half of 2006 was up by 11.0 pounds (+3.7%) compared with 2005. Twenty-five states reported per capita increases during this time period, with 19 posting increases of 3.0% or more. The largest percentage increases were reported by Wyoming (+72.0%), New Mexico (+15.2%), and Texas (+12.8%). Twenty-five states recorded per capita production declines during the first half of 2006. The largest percentage loss was Alaska's 33.9% decrease, with Hawaii (-18.4%) and Mississippi (-12.9%) also recording double digit declines.

Per capita milk production increased by 17.1 pounds (+5.8%) comparing the first half of 2006 with 2001. Seventeen states recorded increases during this time frame, with Wyoming's gain of 79.5% (+49.2 pounds) being the largest percentage increase. The largest per capita *pound* increase was recorded by Idaho, however, with a gain of 855.6 pounds (+30.0%). Fifteen states recorded declines of more than 20.0% led by Hawaii's decrease of 49.1%. Seven states posted declines of between 10.0% & 20.0% compared with 2001. Minnesota (-10.8%), North Dakota (-19.4%), and South Dakota (-8.4%) reported the largest per capita pound losses with declines of 99.7, 99.2, and 88.0 pounds, respectively.

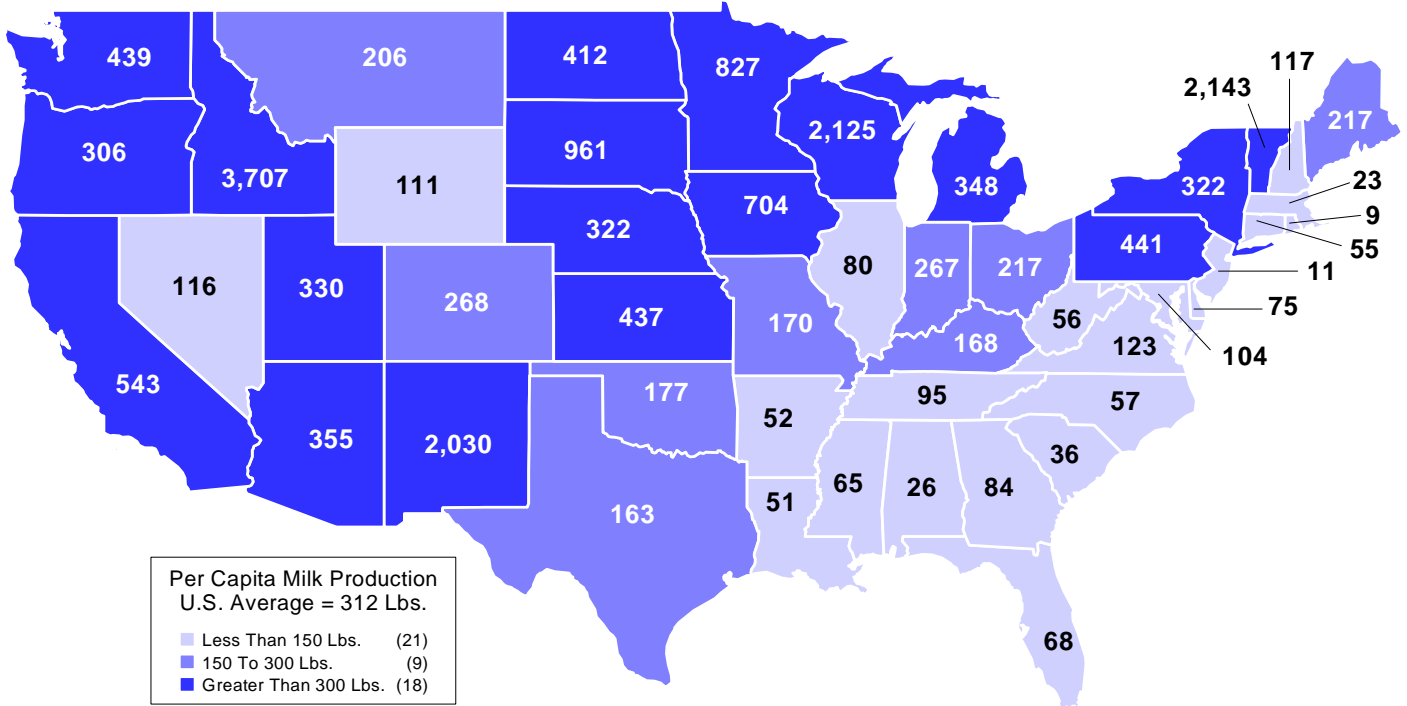
The map on the top of page 3 depicts per capita milk production by state for the first six months of 2006. The 150- and 300-pound levels of per capita production are arbitrary divisions selected for the categories used in this map. These levels reflect approximately one-half of the average annual fluid 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 2006 compared with 2001. The data represented by this map reflects changes in production combined with population changes that have transpired since 2001. The only states that recorded an increase in production per capita located east of the Western Plains were Indiana (+25.5%), Iowa (+5.7%), Michigan (+17.8%), New York (+4.2%), Ohio (+13.3%), and Wisconsin (+1.1%).

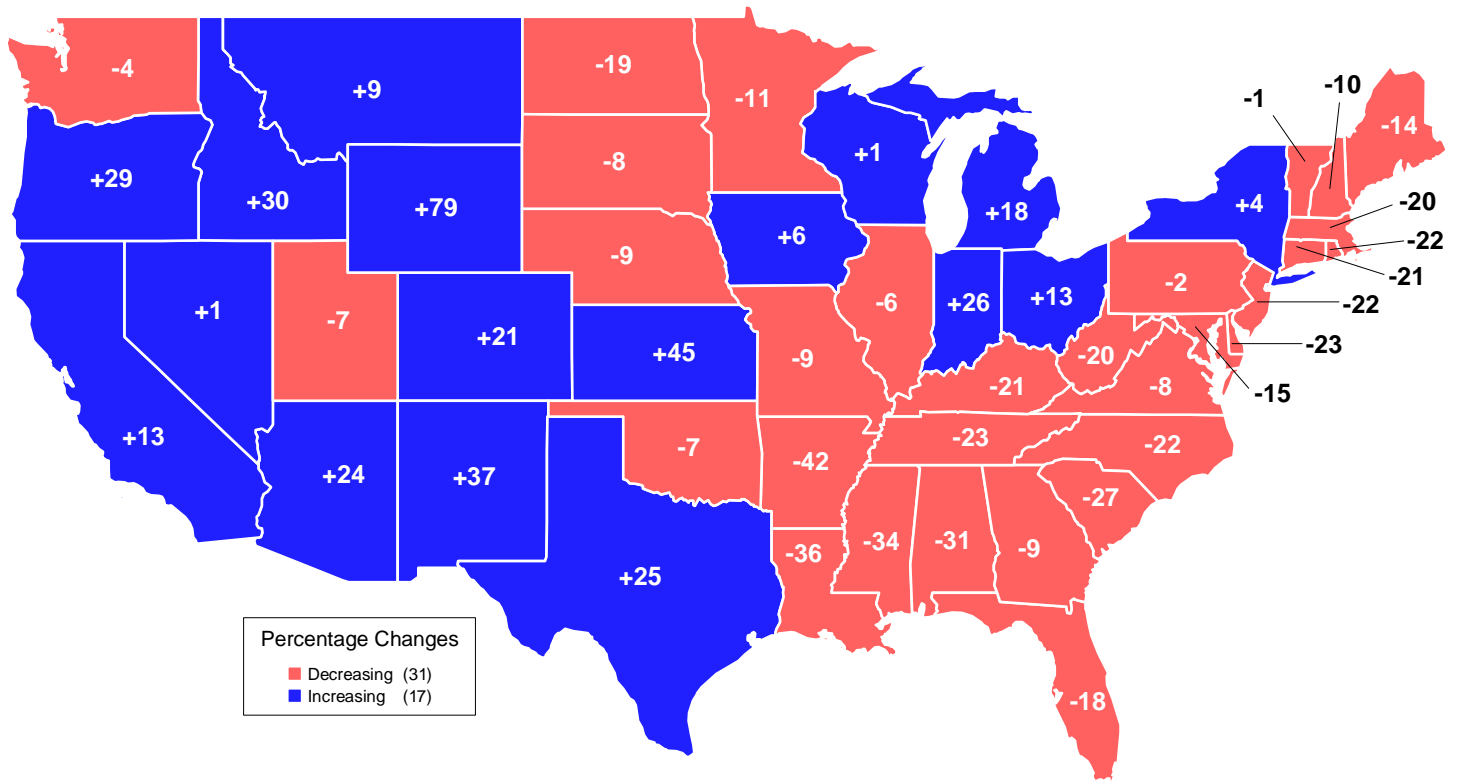
Percentage Of 1st Half Year Totals

	2006	U. S.
	U.S. Milk Production	Population Estimate
California	21.20	12.19
Wisconsin	12.73	1.87
New York	6.70	6.50
Pennsylvania	5.93	4.19
Idaho	5.73	0.48
5-State Total	52.29	25.23

2006 First Half Per Capita Milk Production



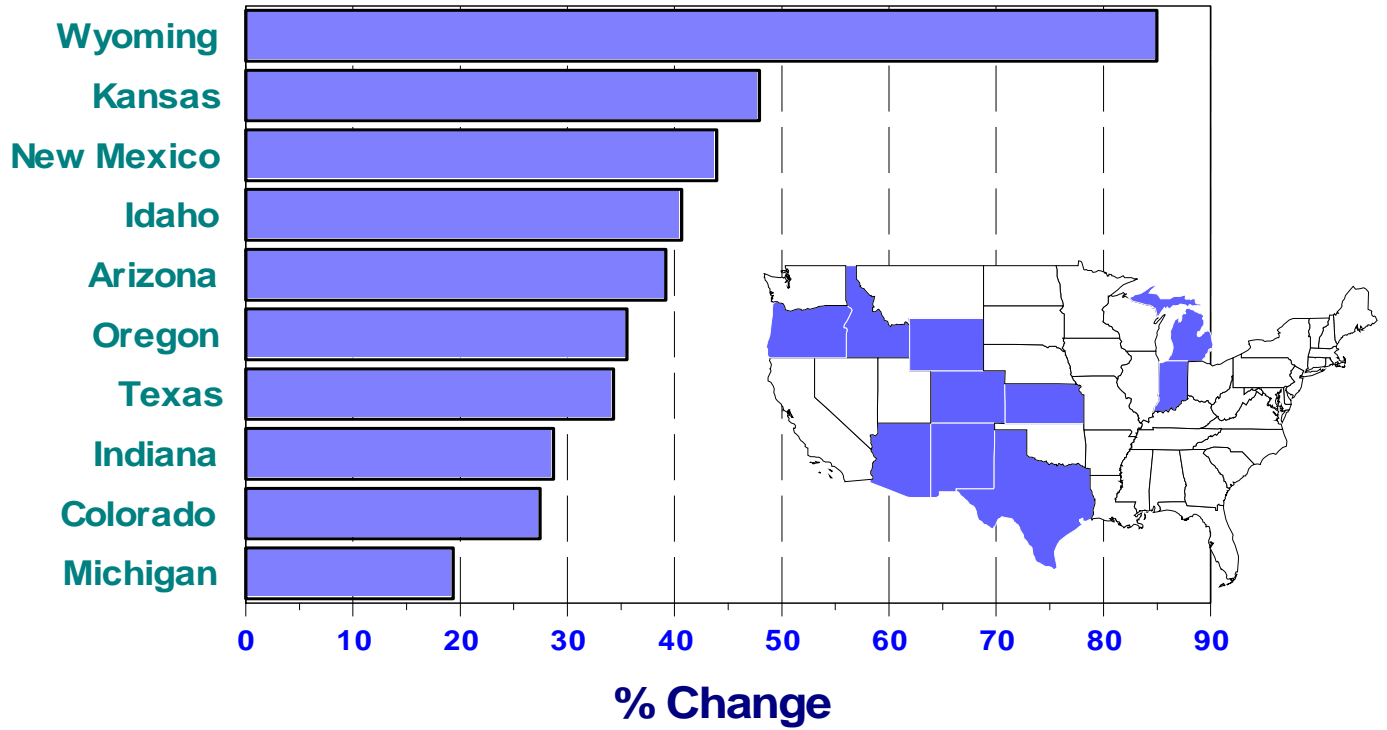
Percent Change In Per Capita Milk Production First Half: 2006 vs. 2001



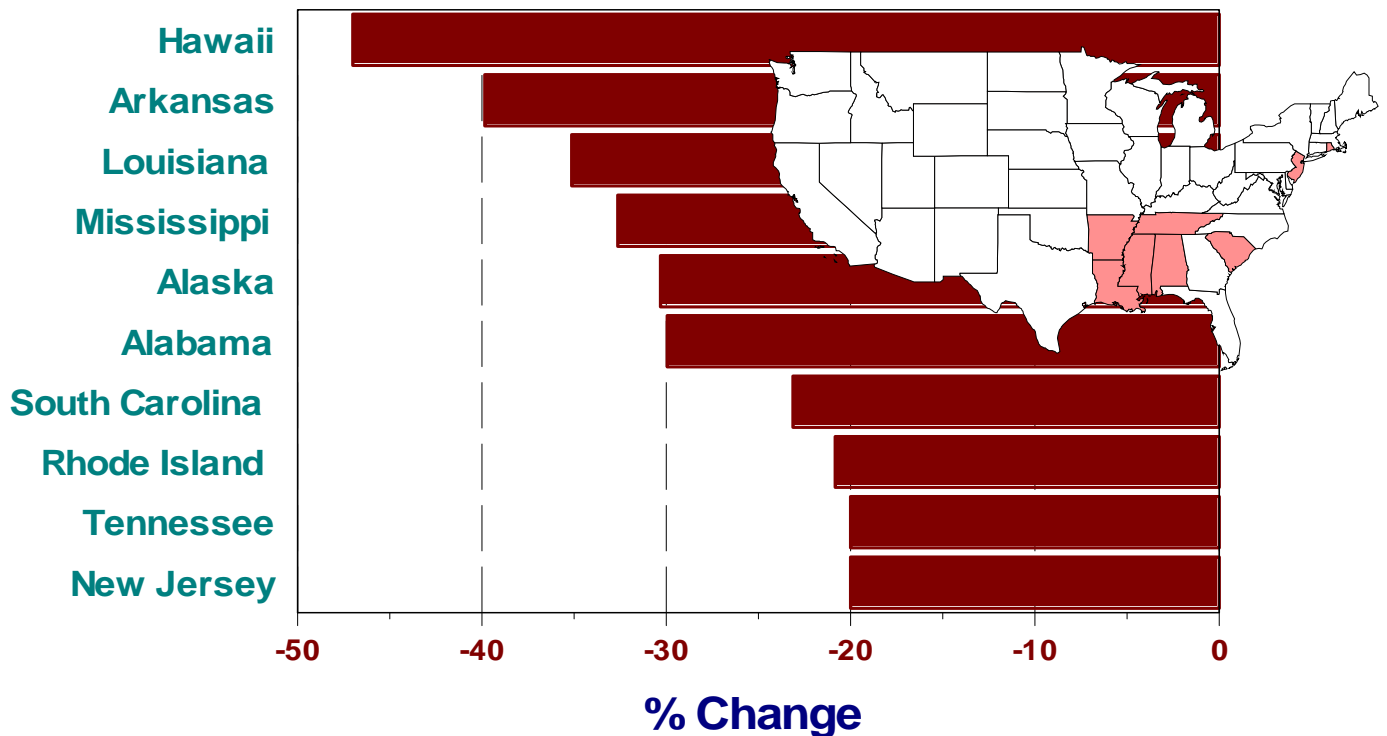
January-June Milk Production: 2006 vs 2001

U.S. Average = +10.13%

Largest Production Increases



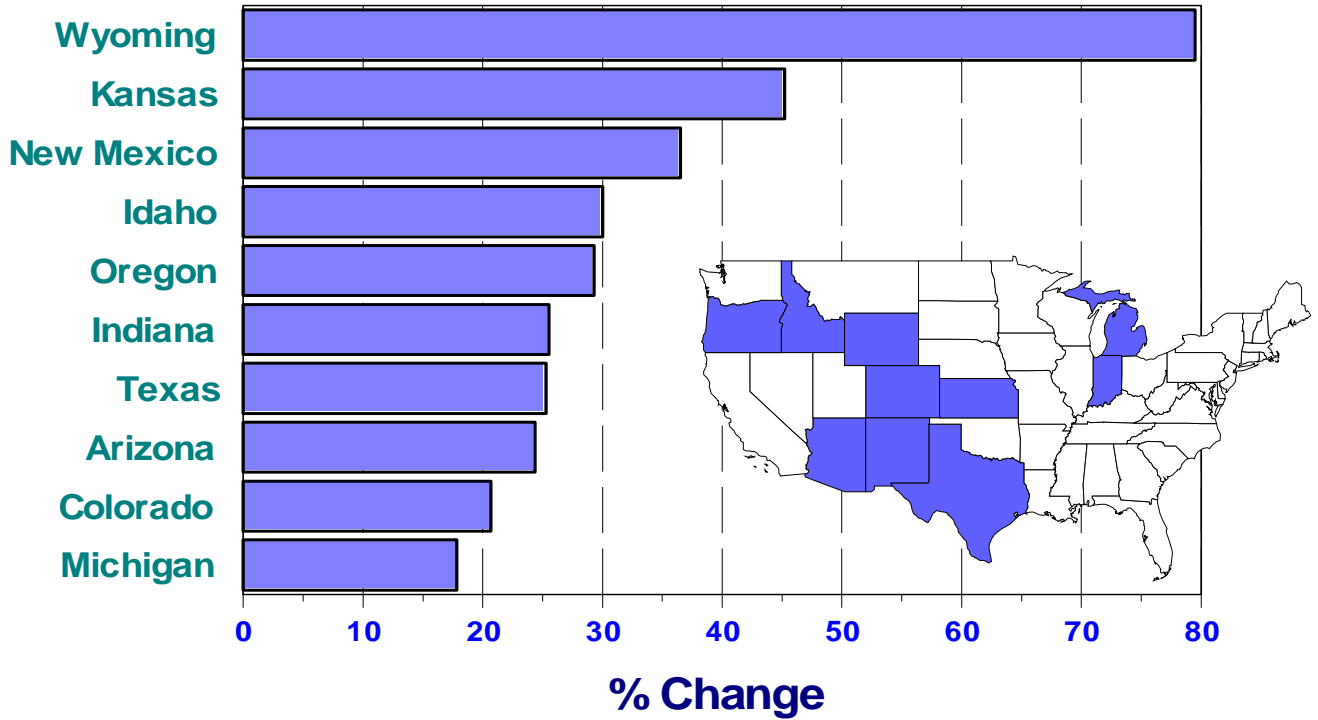
Largest Production Decreases



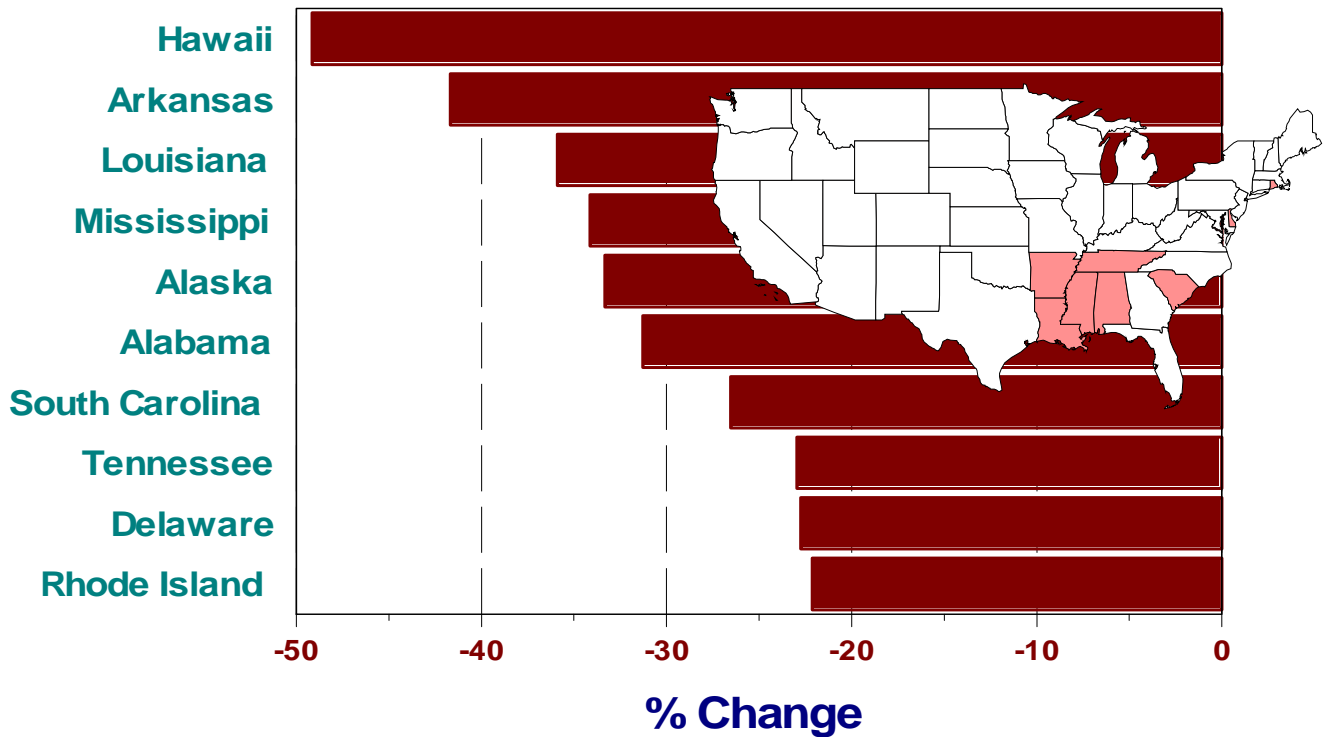
January-June Per Capita Milk Production: 2006 vs 2001

U.S. Average = +5.80%

Largest Per Capita Increases

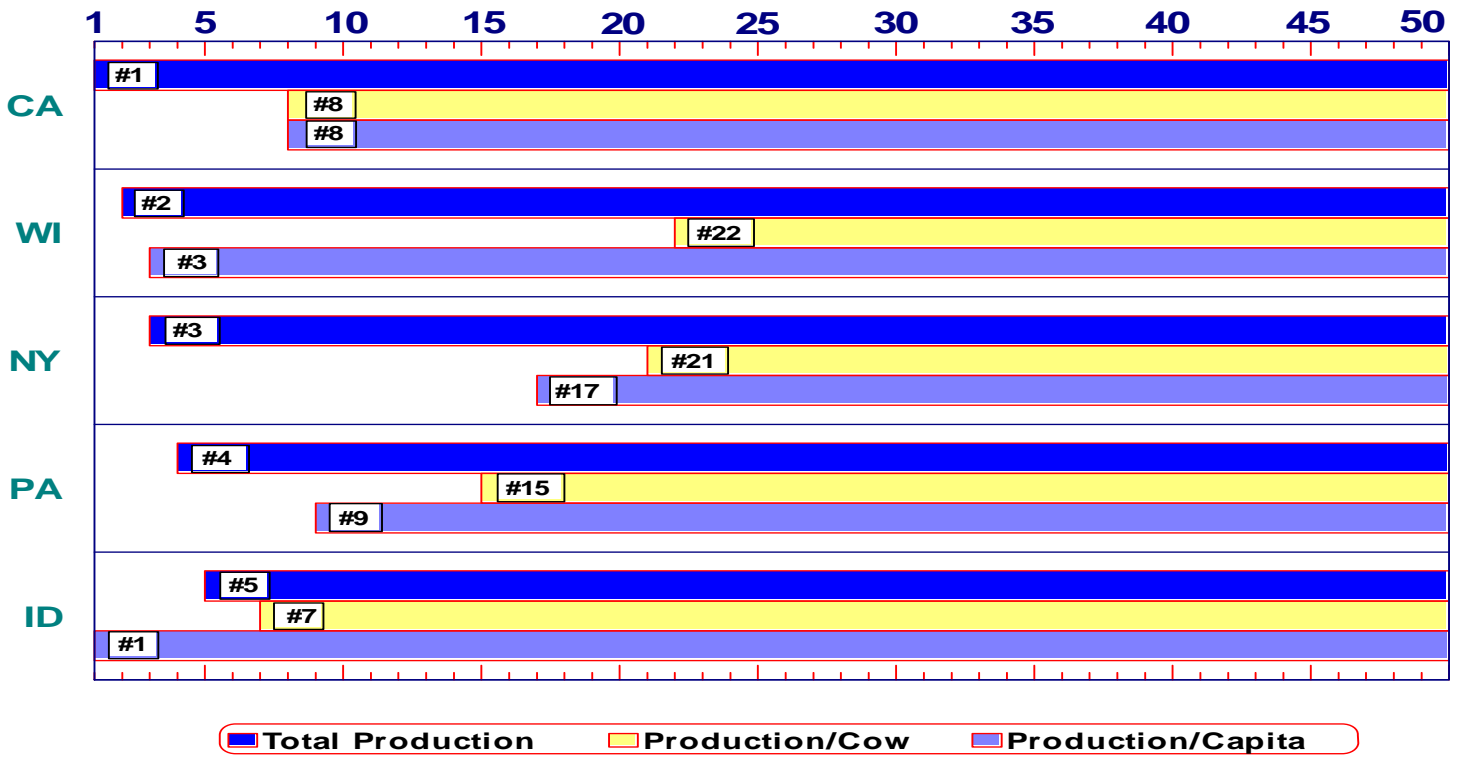


Largest Per Capita Decreases

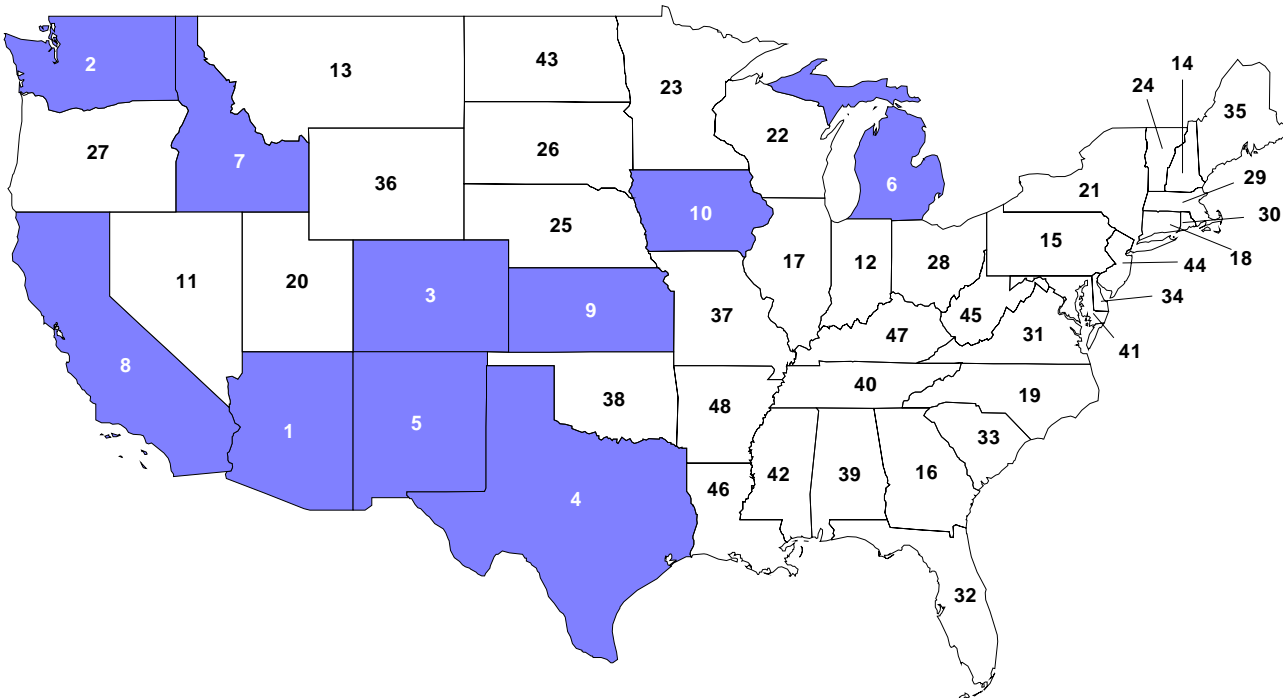


2006 January thru June Milk Production: Top Five States

State Rankings



2006 First Half Milk Production Per Cow Ranking Top Ten States Highlighted



Per Capita Milk Production

2006 versus 2005 & 2001 - By State

- January through June Data -

States	Per Capita Milk Production			Change In Per Capita Milk Production			
	2006	2005	2001	2006 vs 2005		2006 vs 2001	
				Pounds	Percent	Pounds	Percent
1 Idaho	3,706.5	3,426.6	2,850.9	279.9	8.2	855.6	30.0
2 Vermont	2,142.7	2,155.5	2,174.2	-12.8	-0.6	-31.5	-1.4
3 Wisconsin	2,125.3	2,058.6	2,102.6	66.7	3.2	22.7	1.1
4 New Mexico	2,030.2	1,763.1	1,487.0	267.1	15.1	543.2	36.5
5 South Dakota	961.4	929.2	1,049.4	32.2	3.5	-88.0	-8.4
6 Minnesota	827.0	815.0	926.7	12.0	1.5	-99.7	-10.8
7 Iowa	704.2	678.6	666.1	25.6	3.8	38.1	5.7
8 California	542.5	520.7	480.0	21.8	4.2	62.5	13.0
9 Pennsylvania	441.4	426.8	449.1	14.6	3.4	-7.7	-1.7
10 Washington	438.9	447.2	457.9	-8.3	-1.9	-19.0	-4.1
11 Kansas	436.5	419.7	300.6	16.8	4.0	135.9	45.2
12 North Dakota	411.5	413.1	510.7	-1.6	-0.4	-99.2	-19.4
13 Arizona	354.8	330.5	285.3	24.3	7.4	69.5	24.4
14 Michigan	347.7	332.1	295.1	15.6	4.7	52.6	17.8
15 Utah	330.0	332.4	356.0	-2.4	-0.7	-26.0	-7.3
16 Nebraska	321.8	311.0	354.9	10.8	3.5	-33.1	-9.3
17 New York	321.5	314.3	308.5	7.2	2.3	13.0	4.2
18 Oregon	305.7	316.4	236.4	-10.7	-3.4	69.3	29.3
19 Colorado	267.7	246.3	221.8	21.4	8.7	45.9	20.7
20 Indiana	266.6	254.6	212.4	12.0	4.7	54.2	25.5
21 Maine	217.2	228.5	253.4	-11.3	-4.9	-36.2	-14.3
22 Ohio	216.6	210.0	191.1	6.6	3.1	25.5	13.3
23 Montana	206.3	196.7	189.1	9.6	4.9	17.2	9.1
24 Oklahoma	177.0	178.1	191.3	-1.1	-0.6	-14.3	-7.5
25 Missouri	169.8	168.6	186.3	1.2	0.7	-16.5	-8.9
26 Kentucky	168.4	172.8	214.2	-4.4	-2.5	-45.8	-21.4
27 Texas	162.6	144.2	129.8	18.4	12.8	32.8	25.3
28 Virginia	123.0	121.3	134.3	1.7	1.4	-11.3	-8.4
29 New Hampshire	116.8	117.6	130.2	-0.8	-0.7	-13.4	-10.3
30 Nevada	116.0	109.7	115.4	6.3	5.7	0.6	0.5
31 Wyoming	111.1	64.6	61.9	46.5	72.0	49.2	79.5
32 Maryland	103.7	107.0	122.2	-3.3	-3.1	-18.5	-15.1
33 Tennessee	95.3	99.8	123.7	-4.5	-4.5	-28.4	-23.0
34 Georgia	84.0	83.9	92.3	0.1	0.1	-8.3	-9.0
35 Illinois	79.7	79.2	84.8	0.5	0.6	-5.1	-6.0
36 Delaware	74.7	81.8	96.7	-7.1	-8.7	-22.0	-22.8
37 Florida	67.6	71.7	82.0	-4.1	-5.7	-14.4	-17.6
38 Mississippi	65.0	74.6	98.7	-9.6	-12.9	-33.7	-34.1
39 North Carolina	57.0	60.6	73.0	-3.6	-5.9	-16.0	-21.9
40 West Virginia	55.6	53.4	69.4	2.2	4.1	-13.8	-19.9
41 Connecticut	54.7	57.0	69.5	-2.3	-4.0	-14.8	-21.3
42 Arkansas	52.2	56.5	89.5	-4.3	-7.6	-37.3	-41.7
43 Louisiana	51.1	55.7	79.7	-4.6	-8.3	-28.6	-35.9
44 South Carolina	36.0	37.6	49.0	-1.6	-4.3	-13.0	-26.5
45 Alabama	25.7	27.9	37.4	-2.2	-7.9	-11.7	-31.3
46 Hawaii	23.5	28.8	46.2	-5.3	-18.4	-22.7	-49.1
47 Massachusetts	22.7	23.3	28.4	-0.6	-2.6	-5.7	-20.1
48 New Jersey	11.0	11.4	14.1	-0.4	-3.5	-3.1	-22.0
49 Rhode Island	8.8	8.9	11.3	-0.1	-1.1	-2.5	-22.1
50 Alaska	7.4	11.2	11.1	-3.8	-33.9	-3.7	-33.3
U.S. Totals	311.9	300.9	294.8	11.0	3.7	17.1	5.8

Data Sources:

Milk production Data: **Milk Production**, July 2006, 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	
	Jun '06	May '06	Jun '06	May '06	Jun '06	May '06
Northeast	12.66	12.61	1.37	1.78	44.27	43.23
Appalachian	12.84	13.05	-----	-----	61.02	60.54
Florida	14.14	14.28	-----	-----	82.84	80.43
Southeast	12.90	12.90	-----	-----	56.35	54.48
Upper Midwest	11.52	11.21	0.23	0.38	16.31	16.92
Central	11.62	11.42	0.33	0.59	33.45	25.81
Mideast	11.74	11.65	0.45	0.82	33.70	35.44
Pacific Northwest	11.30	11.30	0.01	0.47	27.89	27.04
Southwest	12.36	12.26	1.07	1.43	33.13	33.71
Arizona-Las Vegas	11.67	11.62	-----	-----	34.93	34.28

(continued from page 2) . . .

The graphics on page 5 depict the states with the largest per capita percentage increases and decreases comparing the first six months of 2006 with 2001. 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 2006.

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