

MARKETING SERVICE

BULLETIN

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

United States milk production for 2006 increased by 2.75% compared with 2005 to a record 181.8 billion. The 2006 total was 4.9 billion pounds greater than 2005's record 176.9 billion pounds. Milk production has exceeded year earlier levels in nine of the last ten 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 ?**", in terms of geographic production and dairy product manufacturing. 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 2006 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 2006 with 2000.

The **West and Central Regions** increased milk production by 25.25% and 2.41%, respectively, from 2000 levels on an average daily basis. Conversely, the **Atlantic Region's** production decreased by 4.93%. The **West Region** accounted for 40.93% of U.S. milk production in 2006, up 5.32 percentage points compared with 2000. The **Central Region** accounted for 39.78% of total U.S. production, but this region's percentage of the U.S total decreased by 2.52 percentage points versus 2000. The **Atlantic Region** accounted for the smallest proportion of the 2006 total at 19.29%, and this proportion was down 2.80 percentage points compared with 2000. The data table for milk production can be found on the back page of this bulletin.

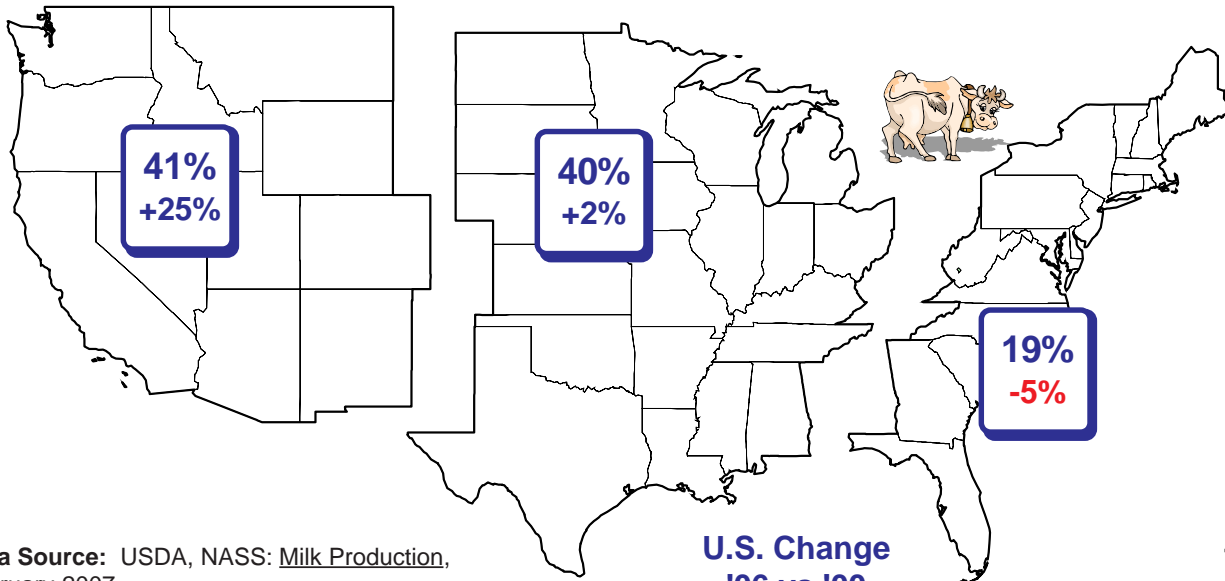
U.S. milk production in 2006 increased 14.4 billion pounds compared with 2000. The additional milk required to meet increased cheese production during the same period was approximately 12.8 billion pounds.

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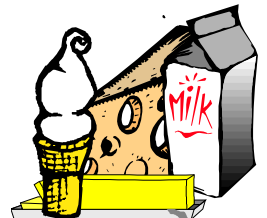
Note: Previously the Central Region was subdivided into the East North Central, West North Central, and South Central Regions. NASS (National Agricultural Statistics Service) has combined these three regions due to processor confidentiality concerns.

Regional Milk Production as a Percentage of 2006 Total U.S. Milk Production with Percentage Change in Production: 2006 vs 2000



Data Source: USDA, NASS: Milk Production, February 2007.

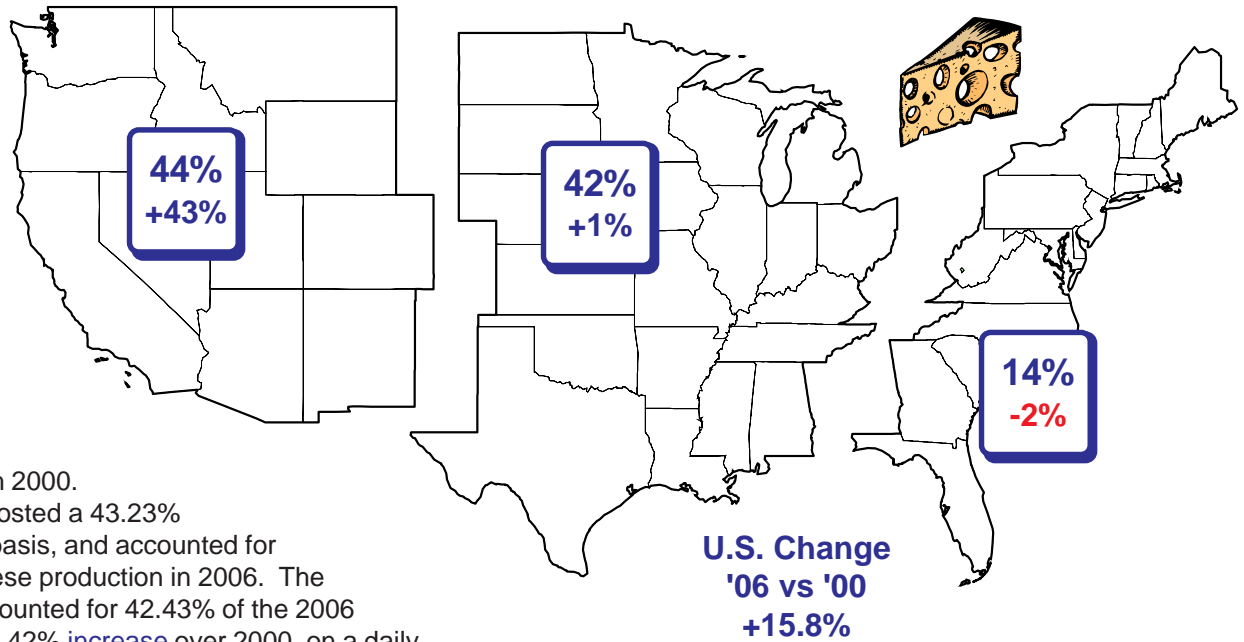
U.S. Change '06 vs '00
+8.9%



Regional Cheese Production as a Percentage of 2006 Total U.S. Cheese Production with Percentage Change in Production: 2006 vs 2000

U.S. cheese production totaled 9.534 billion pounds during 2006. On a daily basis, the 2006 total was an increase of 4.46% compared with 2005, and it is 15.77% greater than the amount produced in 2000. As depicted by the map on this page, the **West and Central Regions** recorded increases comparing 2006 with 2000.

The **West Region** posted a 43.23% increase on a daily basis, and accounted for 43.94% of U.S. cheese production in 2006. The **Central Region** accounted for 42.43% of the 2006 total, and posted a 1.42% increase over 2000, on a daily basis. The **Atlantic Region** accounted for 13.63% of the U.S. total in 2006, and this region's cheese production declined by 1.68% comparing 2006 average daily production with 2000.



Data Source: USDA, NASS: [Dairy Products](#), April 2007.

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

	Atlantic	Central	West	Total
2000	1,325,296	3,999,492	2,933,210	8,257,998
2001	1,290,457	3,812,443	3,026,194	8,129,094
2002	1,305,841	3,946,853	3,294,573	8,547,267
2003	1,298,637	3,863,914	3,394,692	8,557,243
2004	1,301,021	3,941,572	3,633,870	8,876,463
2005	1,282,696	4,001,075	3,843,336	9,127,107
2006	1,299,385	4,045,242	4,189,704	9,534,331

Milk used in cheese production in the West Region increased approximately 12.6 billion lbs. from 2000 to 2006. For comparison purposes, New York's 2006 milk production totaled 12.0 billion lbs.

As A Percent Of Total Production

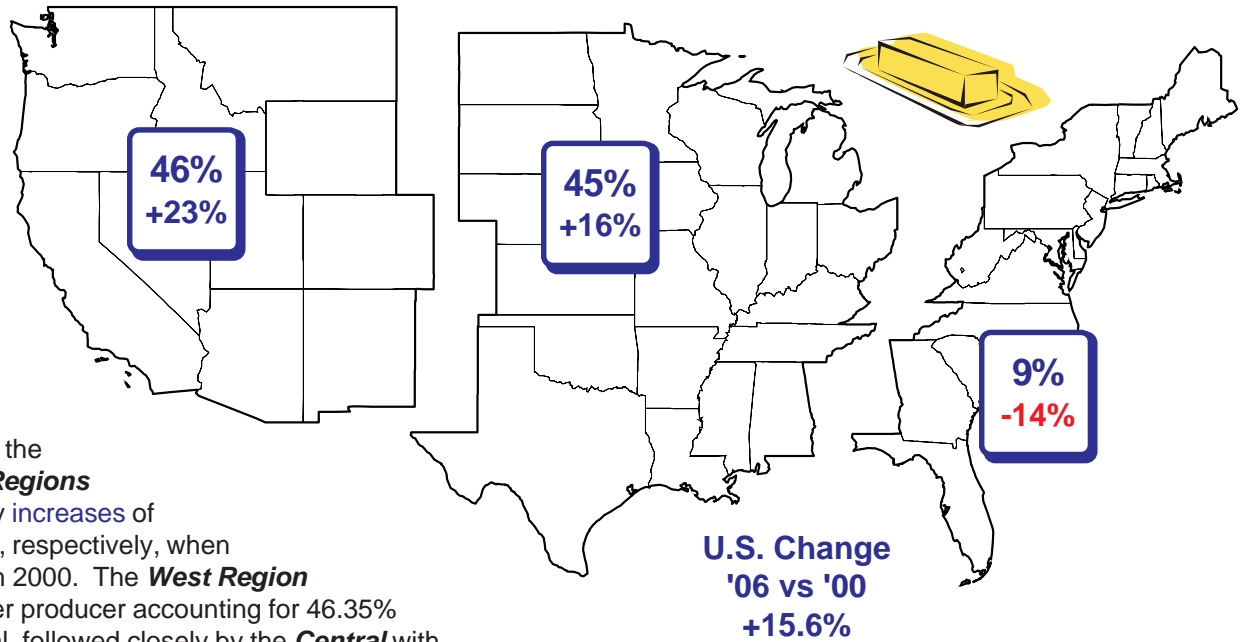
	Atlantic	Centrall	West
2000	16.05	48.43	35.52
2001	15.87	46.90	37.23
2002	15.28	46.18	38.55
2003	15.18	45.15	39.67
2004	14.66	44.40	40.94
2005	14.05	43.84	42.11
2006	13.63	42.43	43.94

Data May Not Add Due To Rounding



Regional Butter Production as a Percentage of 2006 Total U.S. Butter Production with Percentage Change in Production: 2006 vs 2000

U.S. butter production increased by 15.64% on a daily basis comparing 2006 with 2000. Butter production totaled 1.448 billion pounds during 2006 -- up 7.52% from 2005. This was the fourth yearly increase recorded over the last five years. As depicted by the accompanying map, the **West and Central Regions** posted average daily increases of 23.38% and 16.24%, respectively, when comparing 2006 with 2000. The **West Region** was the largest butter producer accounting for 46.35% of the 2006 U.S. total, followed closely by the **Central** with 44.55%. The **Atlantic Region** accounted for only 9.10% of the U.S. total, and butter production in this region decreased by 14.03% on a daily basis, comparing 2006 with 2000.



Data Source: USDA, NASS: Dairy Products, April 2007.

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

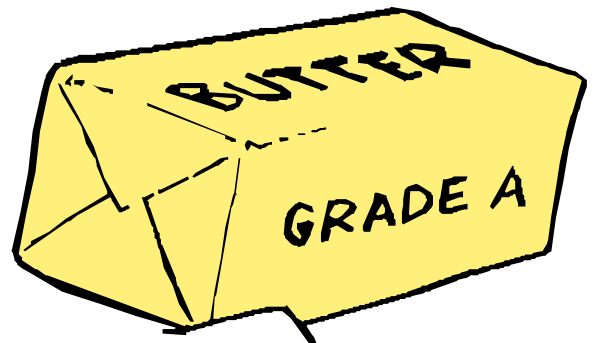
	Atlantic	Central	West	Total
2000	153,671	556,701	545,660	1,256,032
2001	139,578	584,472	507,788	1,231,838
2002	149,355	649,019	556,773	1,355,147
2003	125,288	581,989	535,083	1,242,360
2004	116,703	586,022	546,953	1,249,678
2005	120,407	623,401	603,419	1,347,227
2006	131,753	645,307	671,422	1,448,482

The Atlantic Region's share of U.S. butter production has declined from 12.23% in 2000 to 9.10% in 2006, while the West Region has increased its proportion from 43.44% to 46.35% during that time frame.

Data May Not Add Due To Rounding

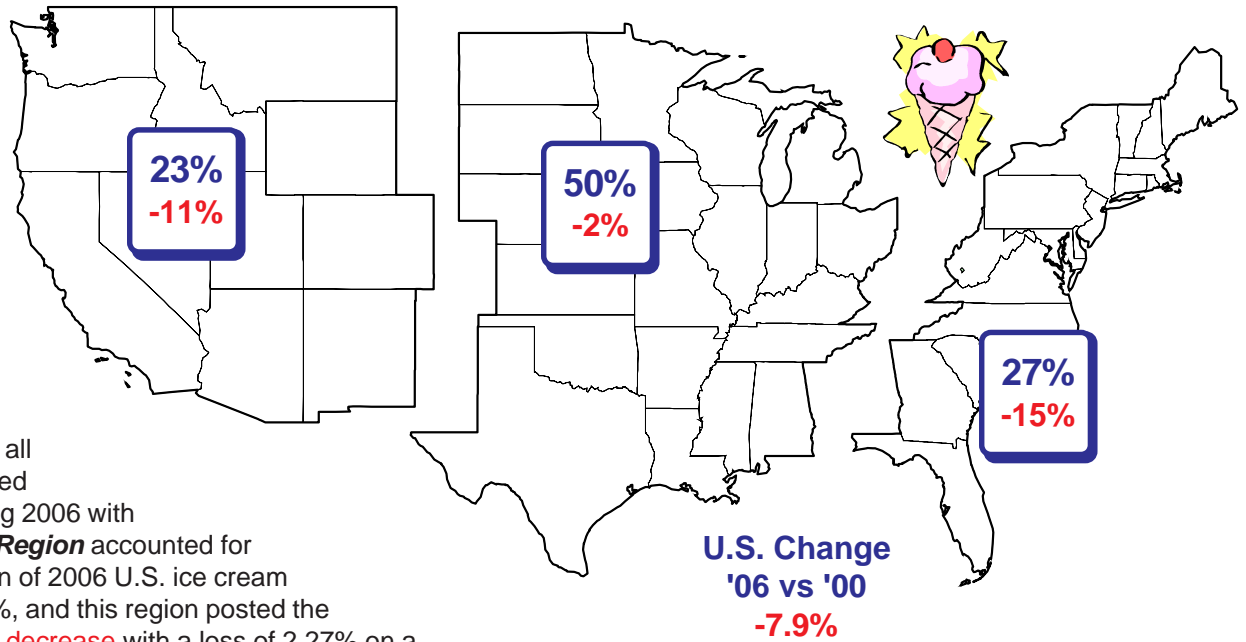
As A Percent Of Total Production

	Atlantic	Centrall	West
2000	12.23	44.32	43.44
2001	11.33	47.45	41.22
2002	11.02	47.89	41.09
2003	10.08	46.85	43.07
2004	9.34	46.89	43.77
2005	8.94	46.27	44.79
2006	9.10	44.55	46.35



Regional Ice Cream Production as a Percentage of 2006 Total U.S. Ice Cream Production with Percentage Change in Production: 2006 vs 2000

U.S. ice cream production **decreased** by 7.95% on a daily basis comparing 2006 with the 0.980 billion gallons produced in 2000. Ice cream production totaled 0.899 billion gallons during 2006, **down** 5.64% (-0.054 billion gallons) from the previous year. As depicted by the accompanying map, all three regions recorded **decreases** comparing 2006 with 2000. The **Central Region** accounted for the largest proportion of 2006 U.S. ice cream production at 50.25%, and this region posted the smallest percentage **decrease** with a loss of 2.27% on a daily basis compared with 2000. The **Atlantic Region** posted the largest percentage **decrease** with a decline of 14.59%, but this region accounted for the second largest proportion with 26.77% of the 2006 U.S. total.



Data Source: USDA, NASS: Dairy Products, April 2007.

U.S. ice cream production has declined in three out of the last four years. However, production had increased in six out of the previous seven years (1996-2002). Over the last ten years the Central Region has accounted for 47.63% of total U.S. ice cream production.

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

	Atlantic	Central	West	Total
2000	282,633	463,625	233,387	979,645
2001	276,337	461,968	231,816	970,121
2002	301,581	490,917	212,494	1,004,992
2003	288,968	480,198	223,710	992,876
2004	258,495	468,698	216,466	943,659
2005	254,297	475,453	223,280	953,030
2006	240,734	451,871	206,717	899,322

Data May Not Add Due To Rounding

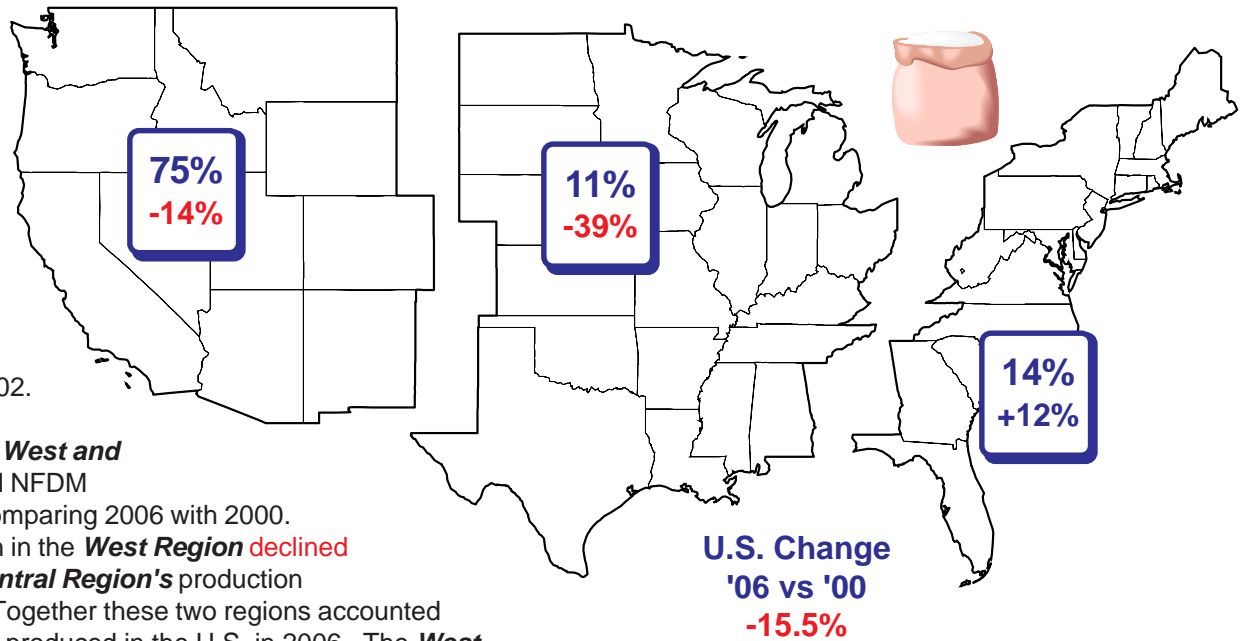
As A Percent Of Total Production

	Atlantic	Centrall	West
2000	28.85	47.33	23.82
2001	28.48	47.62	23.90
2002	30.01	48.85	21.14
2003	29.10	48.36	22.53
2004	27.39	49.67	22.94
2005	26.68	49.89	23.43
2006	26.77	50.25	22.99



U.S. nonfat dry milk (NFDM) production **decreased** by 15.45% on a daily basis, comparing 2006 with 2000. Production totaled 1.224 billion pounds in 2006, which was only the second year since 1998 that nonfat dry milk production fell below 1.350 billion pounds. NFDM production in 2006 was 3.20% **greater than** 2005, and was the first yearly **increase** since 2002.

Regional NFDM Production as a Percentage of 2006 Total U.S. NFDM Production with Percentage Change in Production: 2006 vs 2000



As depicted by the accompanying map, the **West and Central Regions** posted NFDM production **decreases** comparing 2006 with 2000. Average daily production in the **West Region** **declined** by 14.34%, while the **Central Region's** production **decreased** by 38.66%. Together these two regions accounted for 86.04% of the NFDM produced in the U.S. in 2006. The **West Region** accounted for the greatest proportion of production at 74.55% of the U.S. total. The **Atlantic Region** produced the second most nonfat dry milk with 13.96% of the total, and 2006 average daily production from this region **increased** by 11.53% compared with 2000.

Data Source: USDA, NASS: Dairy Products, April 2007.

The West Region's NFDM production has accounted for 75.43% of the U.S. total since 1999, and 73.01% over the last 10 years (1997 through 2006).

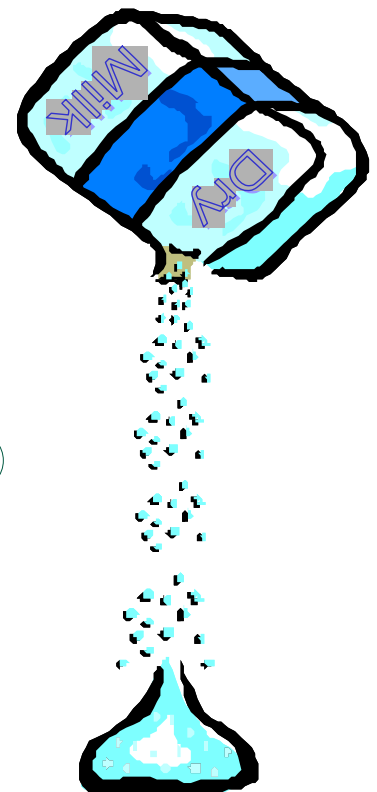
Total U.S. Nonfat Dry Milk Production By Region (Thousand Lbs.)

	Atlantic	Central	West	Total
2000	153,642	229,774	1,068,335	1,451,751
2001	147,823	183,519	1,082,435	1,413,777
2002	171,276	201,772	1,222,891	1,595,939
2003	157,620	184,242	1,247,179	1,589,041
2004	153,478	154,461	1,098,451	1,406,390
2005	180,817	194,323	810,964	1,186,104
2006	170,903	140,566	912,603	1,224,072

As A Percent Of Total Production

	Atlantic	Centrall	West
2000	10.58	15.83	73.59
2001	10.46	12.98	76.56
2002	10.73	12.64	76.63
2003	9.92	11.59	78.49
2004	10.91	10.98	78.10
2005	15.24	16.38	68.37
2006	13.96	11.48	74.55

Data May Not Add Due To Rounding



	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May '07	Apr '07	May '07	Apr '07	May '07	Apr '07
Northeast	18.60	17.02	1.00	0.93	44.63	44.33
Appalachian	18.82	17.41	-----	-----	73.71	66.12
Florida	19.55	18.35	-----	-----	74.78	75.15
Southeast	18.73	17.36	-----	-----	57.35	55.78
Upper Midwest	17.65	16.15	0.05	0.06	20.35	18.87
Central	17.50	15.98	-0.10	-0.11	39.91	39.09
Mideast	17.63	16.09	0.03	0.00	38.40	37.44
Pacific Northwest	17.87	16.24	0.27	0.15	32.32	32.07
Southwest	18.51	16.97	0.91	0.88	73.31	34.57
Arizona	18.07	16.43	-----	-----	34.08	33.55

Total U.S. Milk Production By Region

	----- Million Lbs. -----				----- % of Total -----		
	<u>Atlantic</u>	<u>Central</u>	<u>West</u>	<u>Total</u>	<u>Atlantic</u>	<u>Central</u>	<u>West</u>
2000	36,985	70,807	59,600	167,393	22.09	42.30	35.61
2001	36,286	67,575	61,470	165,331	21.95	40.87	37.18
2002	36,611	67,928	65,524	170,063	21.53	39.94	38.53
2003	35,100	68,340	66,955	170,395	20.60	40.11	39.29
2004	34,305	68,193	68,436	170,934	20.07	39.89	40.04
2005	35,218	70,321	71,389	176,928	19.91	39.75	40.34
2006	35,067	72,319	74,412	181,798	19.29	39.78	40.93

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