

MARKETING SERVICE

B U L L E T I N

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

United States milk production for 2007 increased by 2.09% compared with 2006 to a record 185.6 billion. The 2007 total was 3.8 billion pounds greater than 2006's record 181.8 billion pounds. Milk production has exceeded year earlier levels in ten of the last eleven 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.



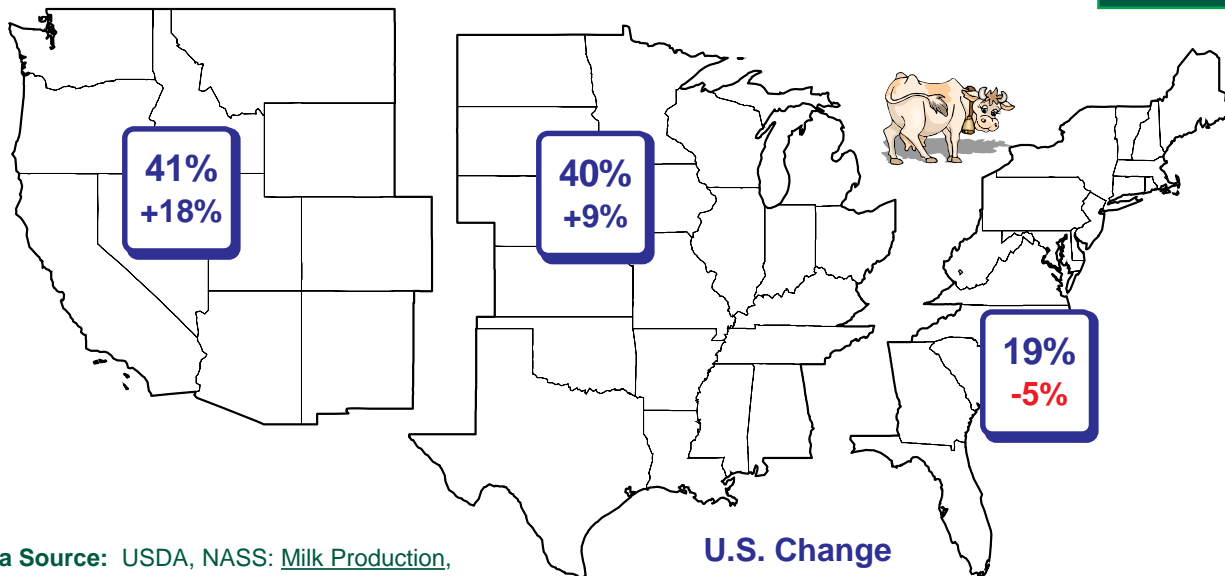
This bulletin addresses the question, "Where's The Milk ?", by examining raw milk production and dairy product manufacturing on a regional basis. The map graphics and data tables contained in this bulletin depict the production of milk, cheese, butter, nonfat dry milk, and ice cream for three production regions: Atlantic, Central, and West. The top number shown in each region provides the proportion of total 2007 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 2007 with 2002.

The **West** and **Central Regions** increased milk production by 17.53% and 8.54%, respectively, from 2002 levels on an average daily basis. Conversely, the **Atlantic Region's** production decreased by 4.78%. The **West Region** accounted for 41.49% of U.S. milk production in 2007, up 2.96 percentage points compared with 2002. The **Central Region** accounted for 39.73% of total U.S. production, but this region's percentage of the U.S total decreased by 0.21 percentage points versus 2002. The **Atlantic Region** accounted for the smallest proportion of the 2007 total at 18.78%, and this proportion was down 2.75 percentage points compared with 2002. The data table for milk production can be found on the back page of this bulletin.

U.S. milk production in 2007 increased by 15.5 billion pounds compared with 2002. The additional milk required to meet increased cheese production during the same period was approximately 11.5 billion pounds.

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 2007 Total U.S. Milk Production with Percentage Change in Production: 2007 vs 2002



Data Source: USDA, NASS: [Milk Production](#), February 2008.

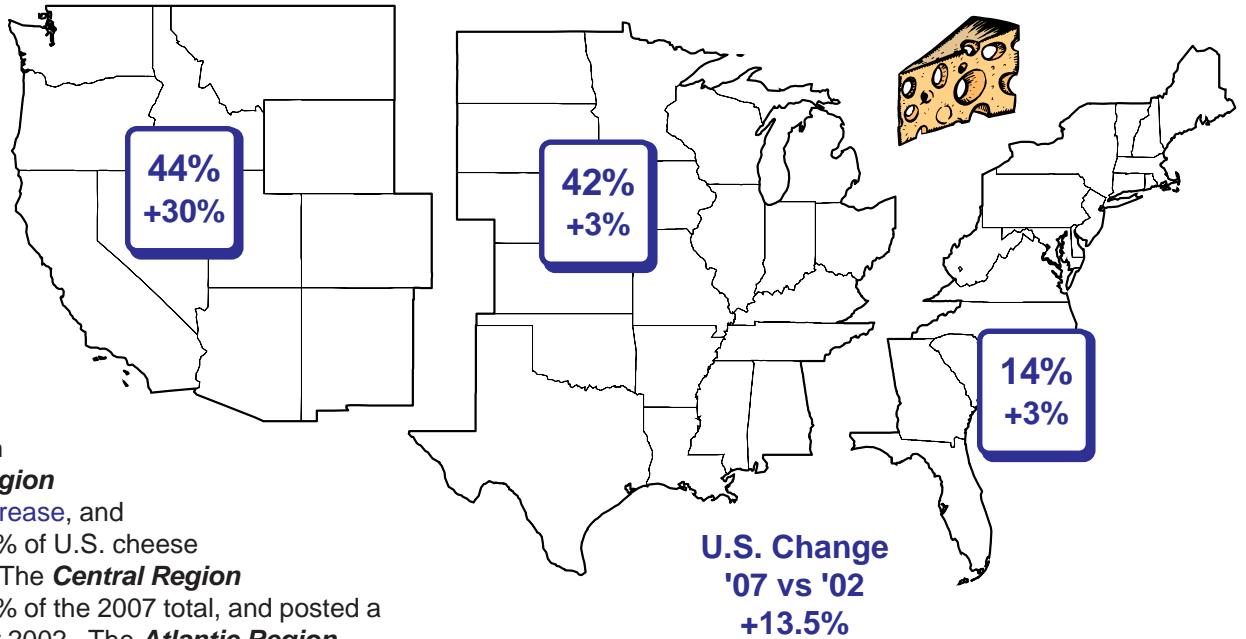
U.S. Change '07 vs '02 +9.1%



MAY 2008

Regional Cheese Production as a Percentage of 2007 Total U.S. Cheese Production with Percentage Change in Production: 2007 vs 2002

U.S. cheese production totaled 9.700 billion pounds during 2007. On a daily basis, the 2007 total was an increase of 1.85% compared with 2006, and it is 13.49% greater than the amount produced in 2002. As depicted by the map on this page, all three regions recorded increases comparing 2007 with 2002. The **West Region** posted a 29.96% increase, and accounted for 44.14% of U.S. cheese production in 2007. The **Central Region** accounted for 41.95% of the 2007 total, and posted a 3.12% increase over 2002. The **Atlantic Region** accounted for 13.91% of the U.S. total in 2007, and this region's cheese production increased by 3.32% comparing 2007 average daily production with 2002.



Data Source: USDA, NASS: [Dairy Products](#), April 2008.

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

	Atlantic	Central	West	Total
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	1,298,811	4,030,765	4,194,991	9,524,567
2007	1,349,153	4,069,820	4,281,526	9,700,499

Milk used in cheese production in the West Region increased approximately 9.9 billion lbs. from 2002 to 2007. For comparison purposes, Pennsylvania's 2007 milk production totaled 10.7 billion lbs.

As A Percent Of Total Production

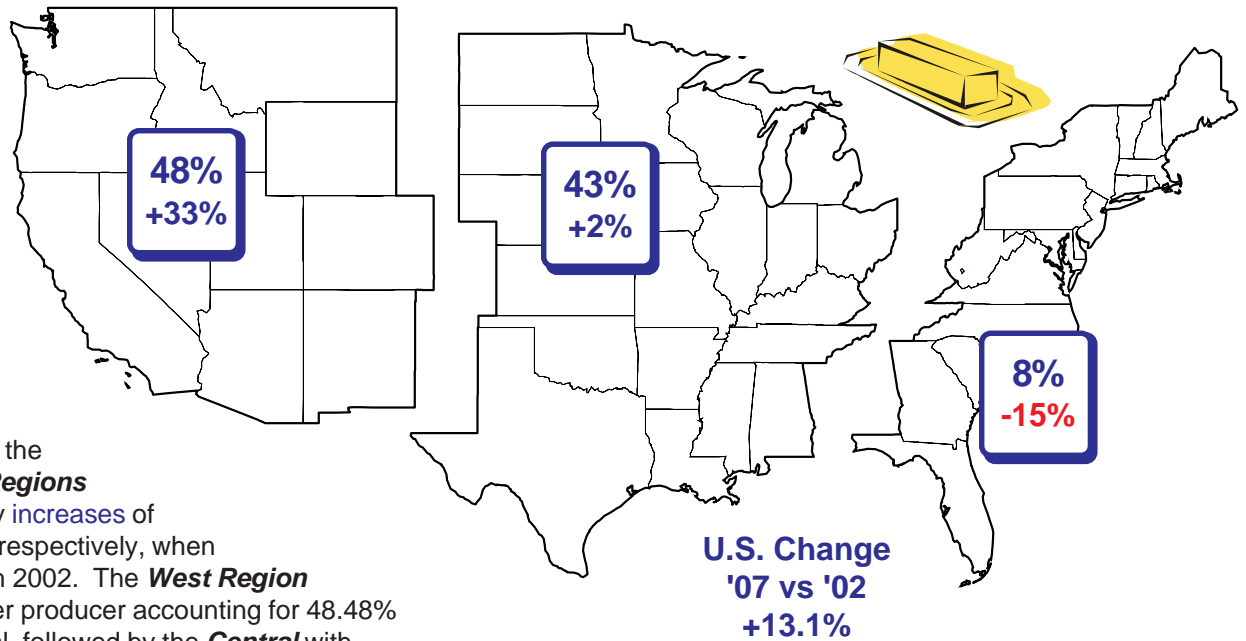
	Atlantic	Centrall	West
2002	15.28	46.18	38.55
2003	15.18	45.15	39.67
2004	14.66	44.40	40.94
2005	14.05	43.84	42.11
2006	13.64	42.32	44.04
2007	13.91	41.95	44.14

Data May Not Add Due To Rounding



Regional Butter Production as a Percentage of 2007 Total U.S. Butter Production with Percentage Change in Production: 2007 vs 2002

U.S. butter production increased by 13.12% on a daily basis comparing 2007 with 2002. Butter production totaled 1.533 billion pounds during 2007 -- up 5.83% from 2006. 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 33.47% and 2.21%, respectively, when comparing 2007 with 2002. The **West Region** was the largest butter producer accounting for 48.48% of the 2007 U.S. total, followed by the **Central** with 43.28%. The **Atlantic Region** accounted for only 8.25% of the U.S. total, and butter production in this region decreased by 15.36% on a daily basis, comparing 2007 with 2002.



Data Source: USDA, NASS: Dairy Products, April 2008.

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

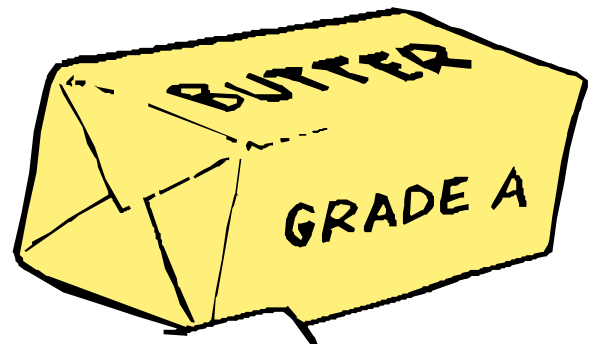
	Atlantic	Central	West	Total
2002	149,355	649,019	556,773	1,355,147
2003	125,288	581,989	535,083	1,242,360
2004	116,703	586,022	546,953	1,249,678
2005	120,407	623,401	603,419	1,347,227
2006	131,667	645,339	671,422	1,448,482
2007	126,421	663,359	743,110	1,532,890

The Atlantic Region's share of U.S. butter production has declined from 11.02% in 2002 to 8.25% in 2007, while the West Region increased its proportion from 41.09% to 48.48% during that time frame.

Data May Not Add Due To Rounding

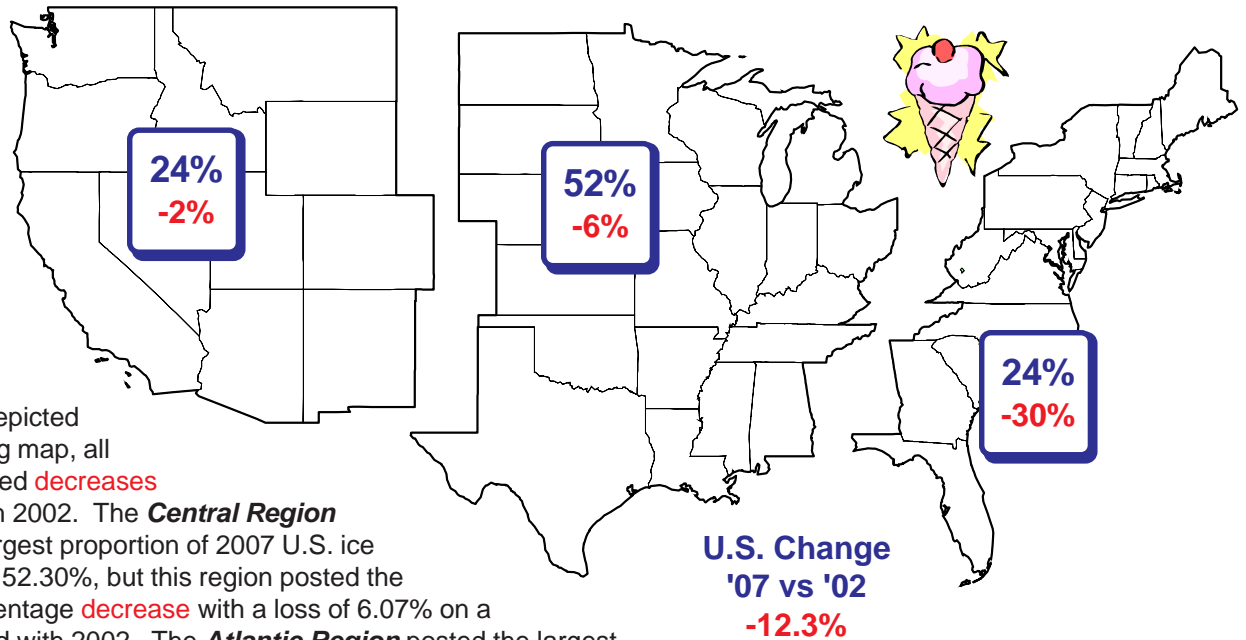
As A Percent Of Total Production

	Atlantic	Centrall	West
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	9.09	44.55	46.35
2007	8.25	43.28	48.48



Regional Ice Cream Production as a Percentage of 2007 Total U.S. Ice Cream Production with Percentage Change in Production: 2007 vs 2002

U.S. ice cream production **decreased** by 12.26% on a daily basis comparing 2007 with the 1.005 billion gallons produced in 2002. Ice cream production totaled 0.882 billion gallons during 2007, **down** 3.61% (-0.032 billion gallons) from the previous year. As depicted by the accompanying map, all three regions recorded **decreases** comparing 2007 with 2002. The **Central Region** accounted for the largest proportion of 2007 U.S. ice cream production at 52.30%, but this region posted the second largest percentage **decrease** with a loss of 6.07% on a daily basis compared with 2002. The **Atlantic Region** posted the largest percentage **decrease** with a decline of 29.82%. This region accounted for the second largest proportion with 24.00% of the 2007 U.S. total. The **West Region** posted the smallest decrease with a loss of 1.65%, but this region also accounted for the smallest proportion of the total at 23.70%.



Data Source: USDA, NASS: Dairy Products, April 2008.

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

	Atlantic	Central	West	Total
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	229,422	478,522	206,795	914,739
2007	211,654	461,112	208,985	881,751

U.S. ice cream production has declined in four out of the last five years. However, production had increased in six out of the previous seven years (1996-2002). Over the last five years the Central Region has accounted for 50.45% of total U.S. ice cream production.

Data May Not Add Due To Rounding

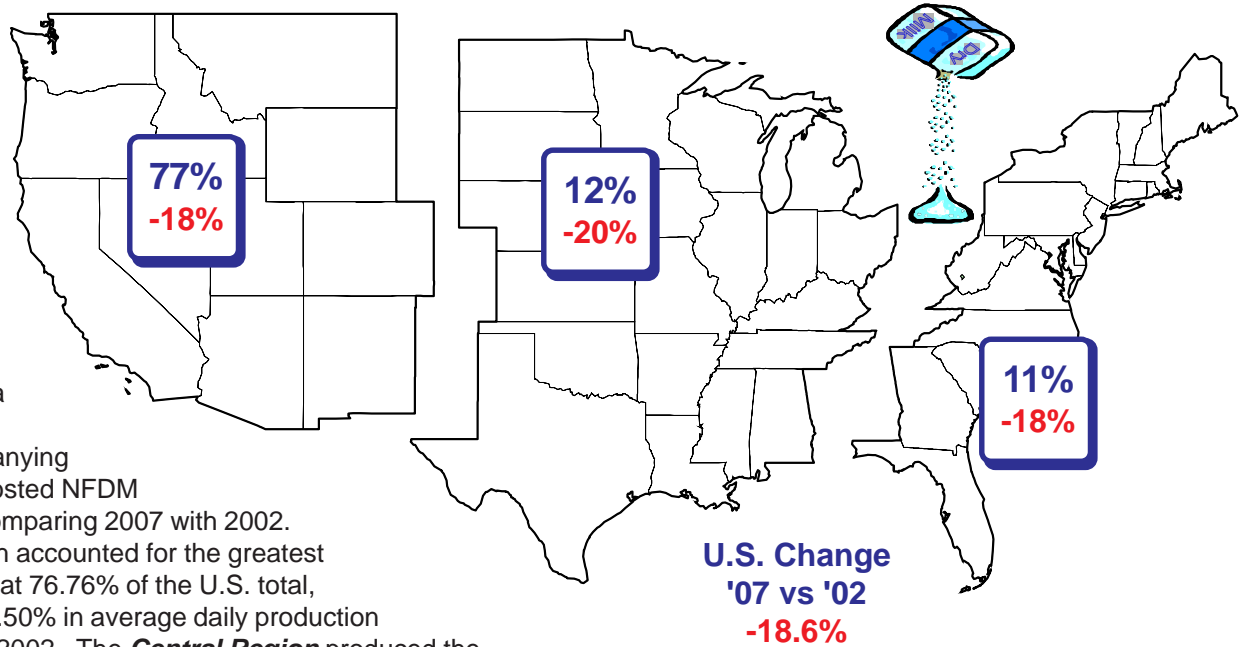
As A Percent Of Total Production

	Atlantic	Centrall	West
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	25.08	52.31	22.61
2007	24.00	52.30	23.70



U.S. nonfat dry milk (NFDM) production **decreased** by 18.64% on a daily basis, comparing 2007 with 2002. Production totaled 1.298 billion pounds in 2007, which was only the third year since 1998 that nonfat dry milk production fell below 1.350 billion pounds. NFDM production in 2007 was 4.42% **greater than** 2006, and was the second consecutively year with a production **increase**. As depicted by the accompanying map, all three regions posted NFDM production **decreases** comparing 2007 with 2002. The **West Region**, which accounted for the greatest proportion of production at 76.76% of the U.S. total, posted a **decrease** of 18.50% in average daily production comparing 2007 versus 2002. The **Central Region** produced the second most nonfat dry milk with 12.36% of the total, but 2007 average daily production from this region **decreased** by the greatest percentage compared with 2002, dropping by 20.43%. The Atlantic Region's accounted for 10.88% of the U.S. total in 2007, and production in this region **decreased** by 17.52% compared with 2002.

Regional NFDM Production as a Percentage of 2007 Total U.S. NFDM Production with Percentage Change in Production: 2007 vs 2002



Data Source: USDA, NASS: Dairy Products, April 2008.

The West Region's NFDM production accounted for 75.04% of the U.S. total since 2000, and 75.34% over the last 5 years (2003 through 2007). In the 5 years preceding 2000, the West Region accounted for 63.70% of the U.S. total.

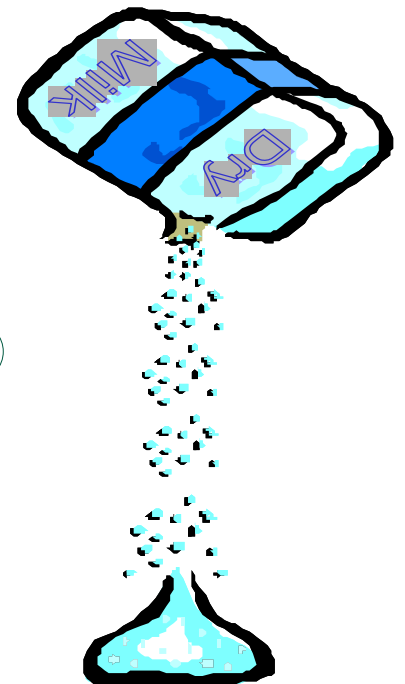
Total U.S. Nonfat Dry Milk Production By Region (Thousand Lbs.)

	Atlantic	Central	West	Total
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	171,698	159,271	912,603	1,243,572
2007	141,266	160,544	996,670	1,298,480

As A Percent Of Total Production

	Atlantic	Central	West
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	13.81	12.81	73.39
2007	10.88	12.36	76.76

Data May Not Add Due To Rounding



	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	<u>4/2008</u>	<u>3/2008</u>	<u>4/2008</u>	<u>3/2008</u>	<u>4/2008</u>	<u>3/2008</u>
Northeast	18.55	17.89	1.79	-0.11	40.08	40.90
Appalachian	20.21	18.63	-----	-----	70.94	67.90
Florida	21.50	19.92	-----	-----	81.14	82.32
Southeast	19.97	18.79	-----	-----	63.77	64.80
Upper Midwest	17.23	17.75	0.47	-0.25	14.78	17.61
Central	17.48	16.85	0.72	-1.15	34.34	41.29
Mideast	17.77	17.21	1.01	-0.79	37.16	42.79
Pacific Northwest	16.95	15.94	0.19	-2.06	29.57	37.66
Southwest	18.18	17.32	1.42	-0.68	32.66	52.01
Arizona	17.28	16.86	-----	-----	31.56	31.24

Total U.S. Milk Production By Region

	Million Lbs.				% of Total		
	Atlantic	Central	West	Total	Atlantic	Central	West
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	35,075	72,319	74,402	181,796	19.29	39.78	40.93
2007	34,862	73,731	77,009	185,602	18.78	39.73	41.49

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