

MARKETING SERVICE

BULLETIN

2008 Milk Production

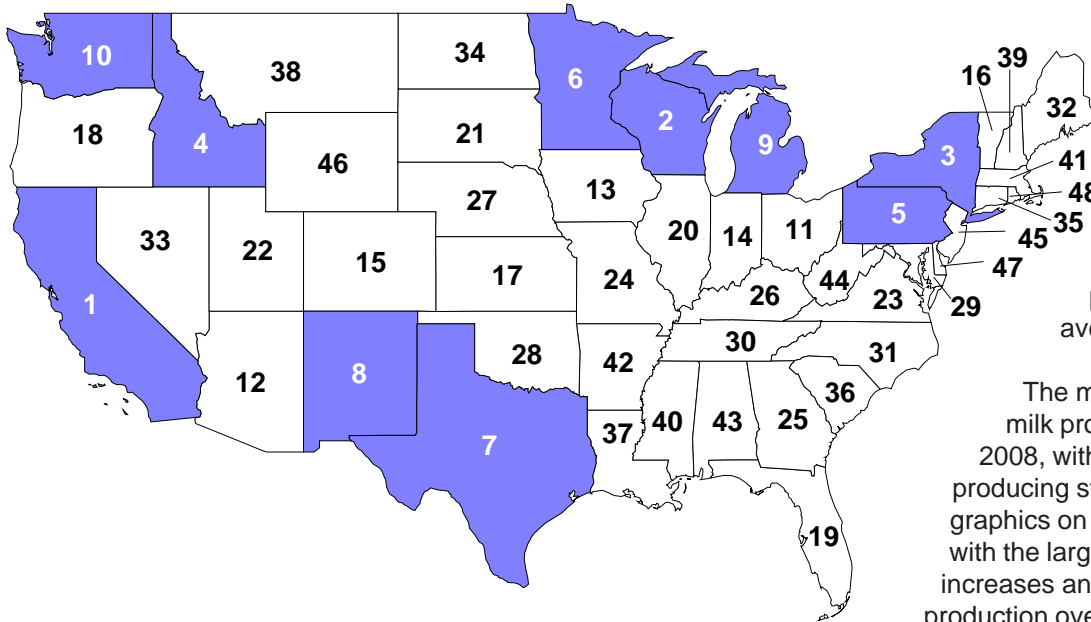
U.S. milk production during 2008 increased 2.3% compared with 2007, climbing to a record 190.0 billion pounds. The 2008 total is 4.3 billion pounds greater than the previous record of 185.7 billion pounds produced during 2007. Milk production has exceeded year earlier totals during eleven of the last twelve years, with the lone exception occurring during 2001. Production in the U.S. has increased by 19.6 billion pounds over the past five years (2008 versus 2003), a gain of 11.5%.

Twenty-four states registered annual milk production increases during 2008, with the percentage increases averaging 4.2% compared with 2007. Texas recorded the largest percentage gain, with milk production increasing 14.0%. Kansas (+10.4%) was the only other state that registered a double-digit percentage increase in annual milk production. Five additional states recorded increases of five percent or more: Rhode Island (+9.9%); South Dakota (+9.4%); Colorado (+8.5%); New Mexico (+7.9%); and Idaho (+6.6%). Conversely, 11 states reported annual decreases of five percent or more, with Hawaii's 47.9% decrease being the largest. Other states posting declines of more than five percent were:

Alaska (-18.2%); Arkansas (-11.4%);
Mississippi (-10.2%);
Louisiana (-8.6%);

West Virginia (-7.2%);
Oklahoma (-6.7%);
Alabama (-6.6%);
Montana (-6.0%);
North Dakota (-5.9%);
and Tennessee (-5.1%). In total, 26 states posted production decreases during 2008, with the percentage decreases averaging 6.3%.

2008 Milk Production Ranking Top Ten States Highlighted



The map on this page ranks milk production by state for 2008, with the top ten milk producing states shaded. The graphics on page 4 depict states with the largest percentage increases and decreases in milk production over the past five years (2008 versus 2003).

Twenty-two states recorded milk production increases comparing 2008 with 2003. The average percentage increase for these states was 22.6%, with five posting increases larger than the 22-state percentage average. These five were Wyoming (+151.3%), Texas (+49.5%), Idaho (+40.4%), Colorado (+36.3%), and South Dakota (+35.0%). Other states to post double digit increases compared with 2003 were: Arizona (+22.4%); Michigan (+21.8%); New Mexico (+18.0%); California (+16.3%); Nevada (+15.3%); Ohio (+14.3%); Kansas (+13.4%); Iowa (+13.4%), and Indiana (+12.0%).

Twenty-eight states recorded production decreases between 2003 and 2008, with an average percentage decline of 19.3%. Ten of these states recorded decreases greater than the average percentage loss. These were: Hawaii (-79.9%); Alaska (-56.9%); Arkansas (-44.9%); Louisiana (-38.5%); Mississippi (-31.2%); Alabama (-27.0%); New Jersey (-23.6%); Massachusetts (-23.5%); Tennessee (-21.3%); and North Dakota (-19.6%).

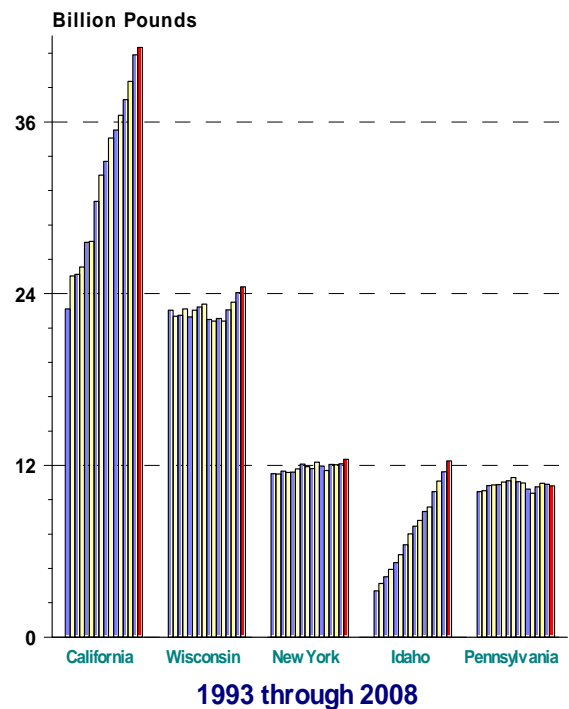
FEBRUARY 2009



The graph at the right depicts annual milk production since 1993 for the nation's top five milk producing states. Four of the five recorded increases comparing 2008 with 2007, led by Idaho with a 6.6% gain. New York (+2.7%) reported the second largest increase, followed by Wisconsin (+1.6%), and California (+1.3%). Pennsylvania (-1.0%) was the lone top five state to record a decrease during 2008. California and Idaho recorded production increases each year during this period. Comparing 2008 with 1993, California milk production increased by 79.7% while Idaho's increased by 281.4%. New York (+8.9%) posted the third largest increase among the top five states, followed by Wisconsin (+7.1%) and Pennsylvania (+3.9%)

Annual Milk Production

Top Five Dairy States



The map on page 6 provides a ranking of states based on 2008 milk production per cow. California, Idaho, Michigan, New Mexico, and Washington are states ranked in the top ten in both total milk production and production per cow. Idaho (22,432 lbs./cow) and California (22,344 lbs./cow) were the only top five milk producing states with production per cow above the 2008 national average of 20,396 pounds.

2008 Per Capita Milk Production

Per capita milk production is a data series presented annually in this Bulletin. A comparison of this series to per capita consumption data may reflect the

aggregate supply and demand balance for individual states and regions throughout the U.S. The table on page 7 details and compares per capita milk production by state for 2008, 2007, and 2003. This table lists the states in descending order based on 2008 per capita production.

The states with per capita production of more than 600 pounds are inside the shaded area of the table. Six of the top ten states in total production are also in the top ten in per capita production. These six are California, Idaho, Minnesota, New Mexico, Washington, and Wisconsin.

Data used in these calculations indicates that per capita production for 2008 was up 8.7 pounds (+1.4%) compared with 2007. Twenty states reported annual per capita increases during 2008, with Texas (+11.7%) posting the largest gain. Rhode Island (+9.9%), Kansas (+9.4%), South Dakota (+8.3%), New Mexico (+6.8%), and Colorado (+6.3%) were other states with an increase of five percent or greater. Hawaii recorded the largest per capita production decline during 2008, with a loss of 48.2%. Eleven additional states recorded decreases of five percent or more compared with 2007, with Alaska (-18.6%), Arkansas (-12.1%), and Mississippi (-10.7%) posting losses of more than 10%.

Per capita production for the U.S. increased by 38.9 pounds (+6.6%) between 2003 and 2008. Seventeen states recorded increases in per capita milk production, led by Wyoming's 137.0% gain. Ten additional states increased per capita production by more than 10%, with Texas (+35.8%), South Dakota (+28.4%), Idaho (+25.9%), and Colorado (+25.5%) posting per capita increases of 25% or more, comparing 2008 with 2003. Hawaii and Alaska recorded the largest decreases, with per capita production falling by 80.5% and 59.4%, respectively. Twelve additional states posted declines of more than 20%, while seven states reported decreases between 10% and 20%.

The map on the top of page 3 depicts per capita milk production by state for 2008. The 300 and 600 pound levels of per capita production are arbitrary divisions selected for this map. The 600 pound level approximates total annual per capita dairy consumption on a milk equivalent basis, while the 300 pound level reflects average annual consumption of Class I and Class II products (fluid and soft manufactured products), plus reserve requirements. A cursory analysis of regional milk supply conditions can be performed by examining the shading patterns prevalent in the individual regions.

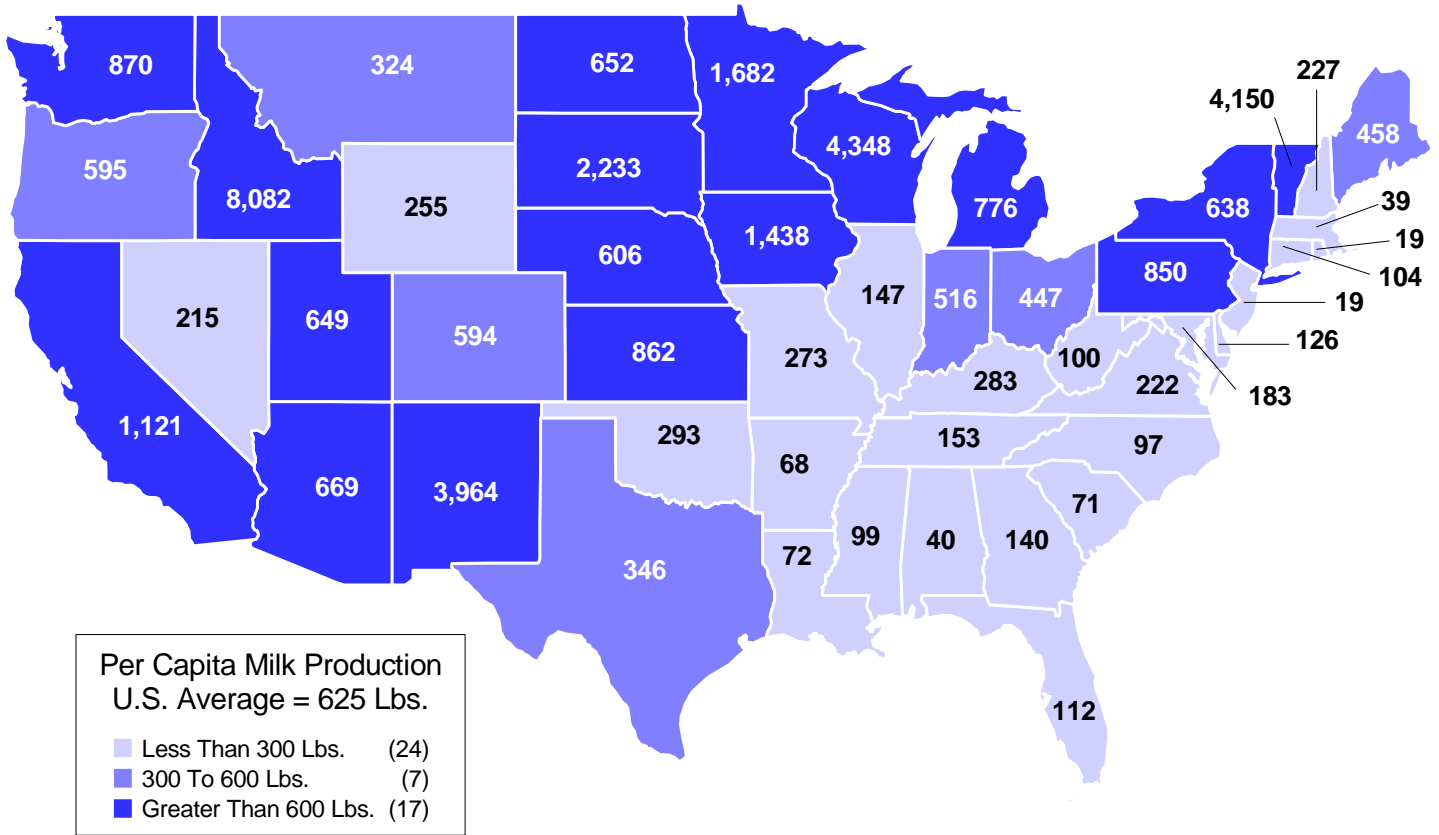
The map at the bottom of page 3 displays the percentage change in per capita milk production by state between 2003 and 2008. The data represented by this map reflects changes in production combined with population changes. The graphics on page 5 depict the states with the largest percentage increases and decreases from 2003 to 2008.

The graph on page 6 provides a ranking of the top five milk producing states in total milk production, production per cow, and production per capita. The graph on the last page of this Bulletin depicts milk production per capita for the U.S. over the last 29 years.

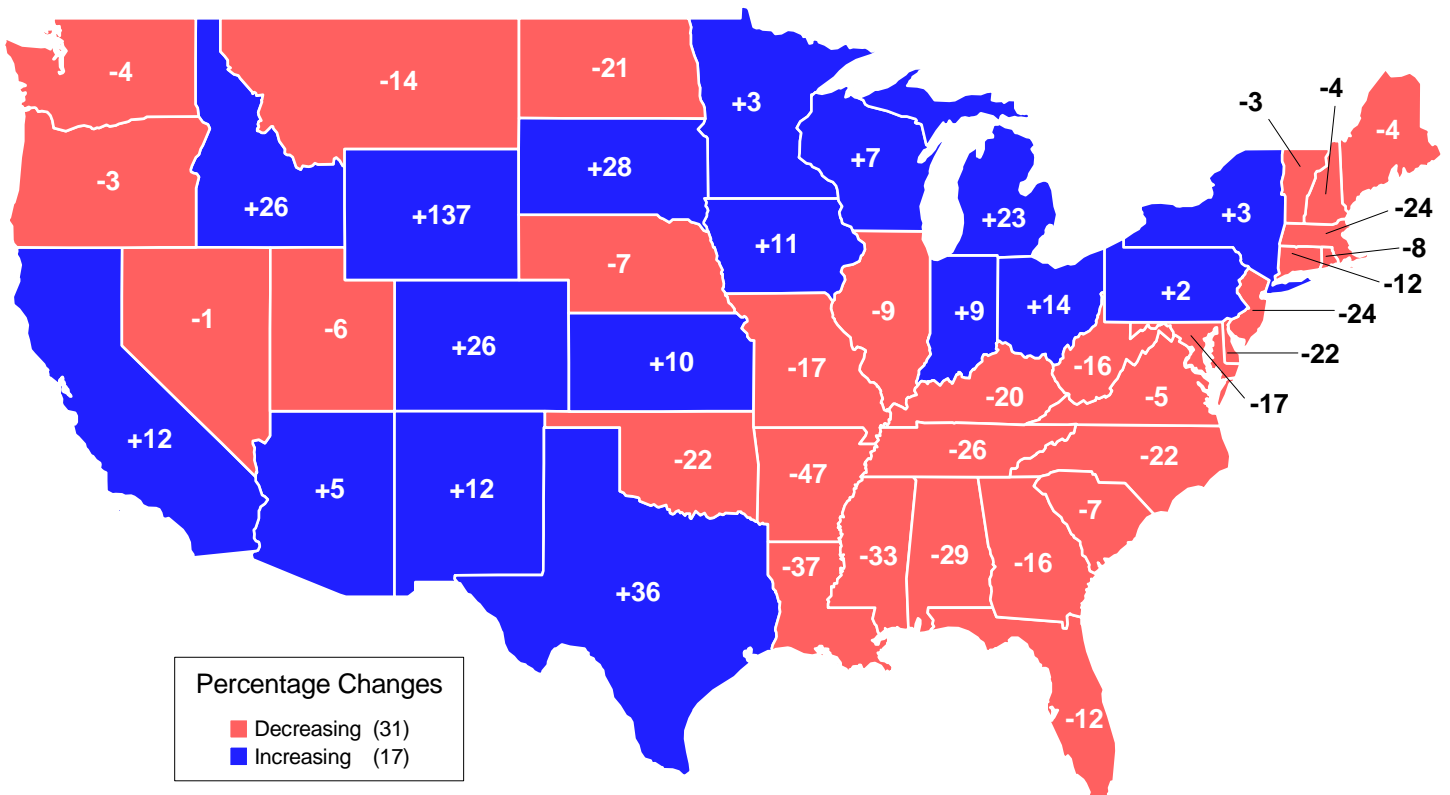
Percentage of 2008 U.S. Totals

	U.S. Milk Production	U. S. Population Estimate
California	21.69	12.09
Wisconsin	12.88	1.85
New York	6.54	6.41
Idaho	6.48	0.50
Pennsylvania	5.57	4.09
5-State Total	53.16	24.94

2008 Per Capita Milk Production



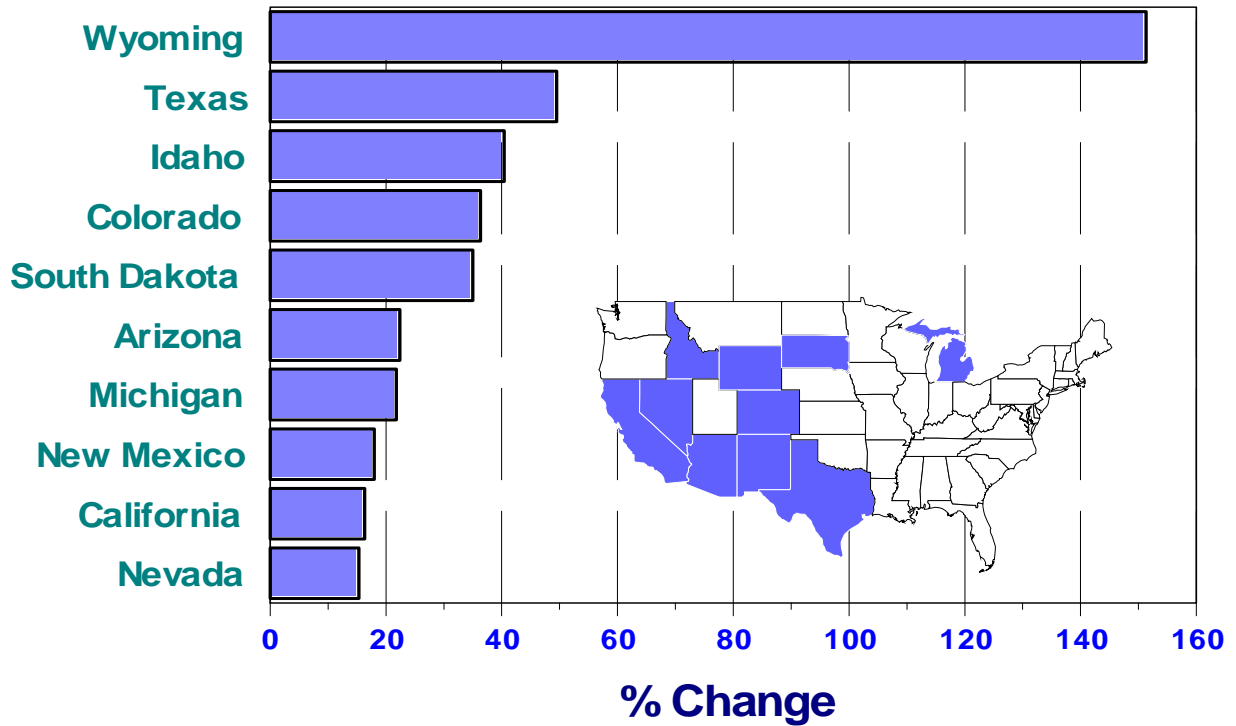
Percent Change In Per Capita Milk Production 2008 vs 2003



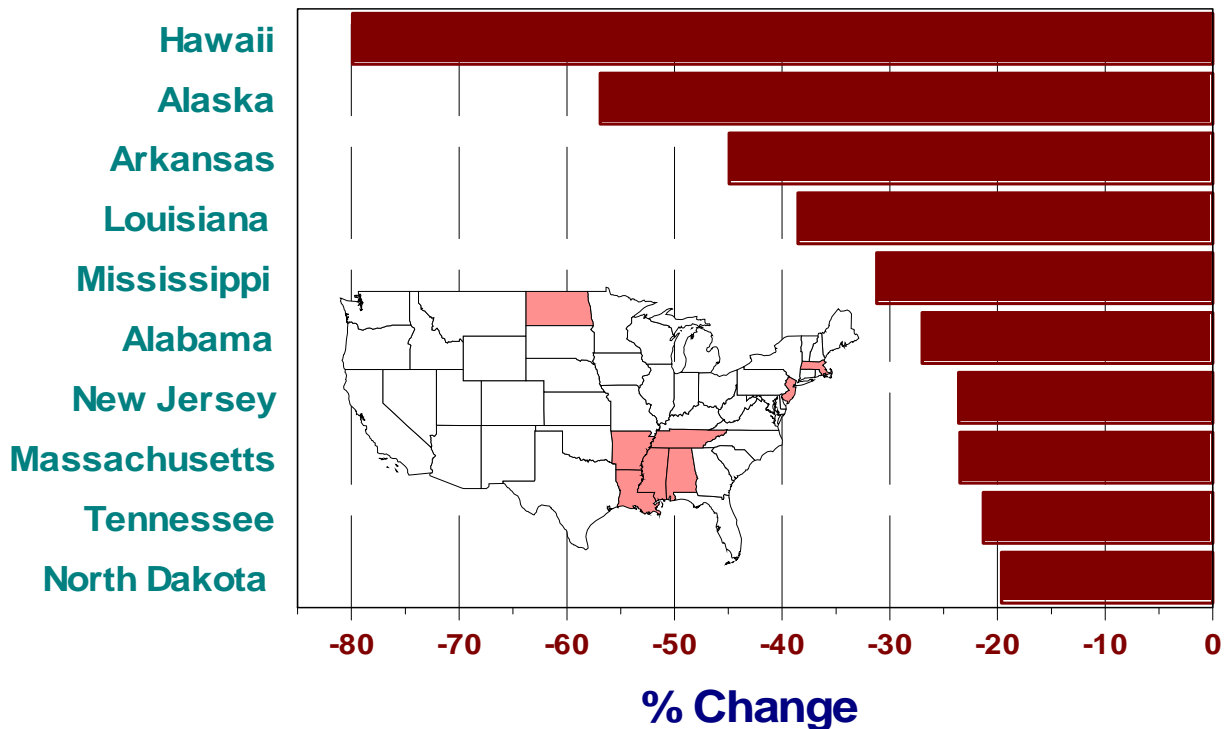
Milk Production: 2008 vs 2003

U.S. Average = +11.5%

Largest Production Increases



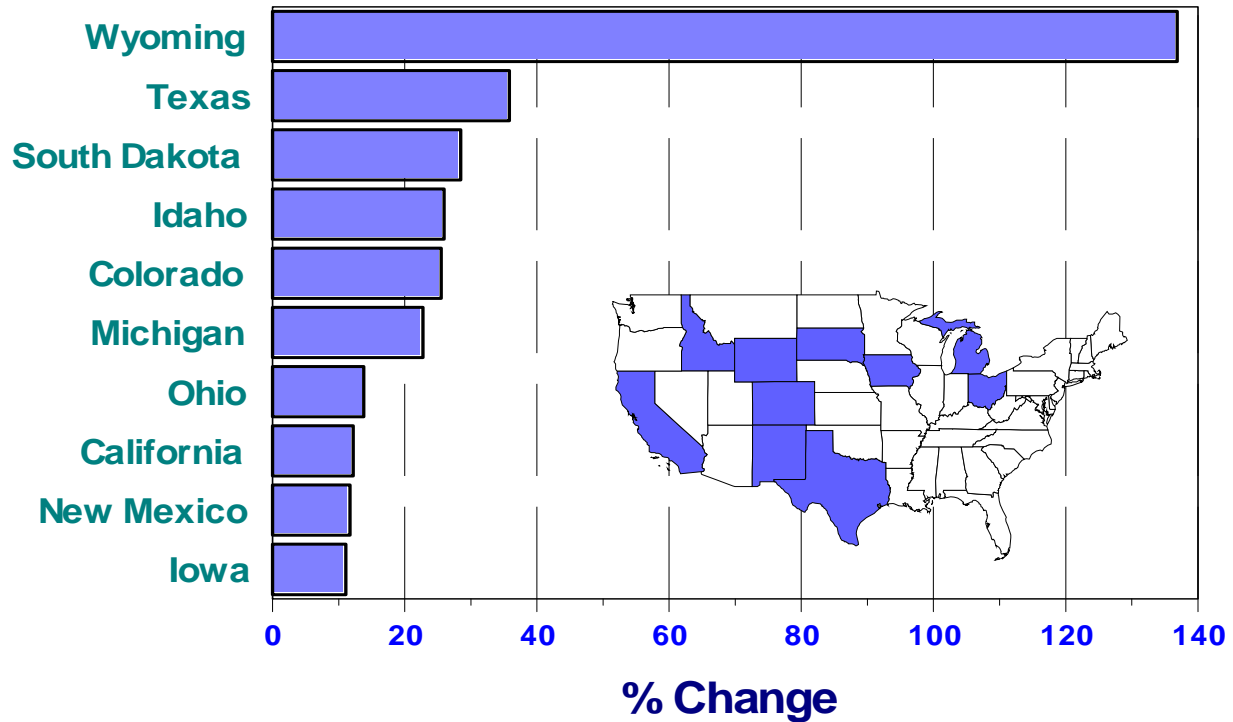
Largest Production Decreases



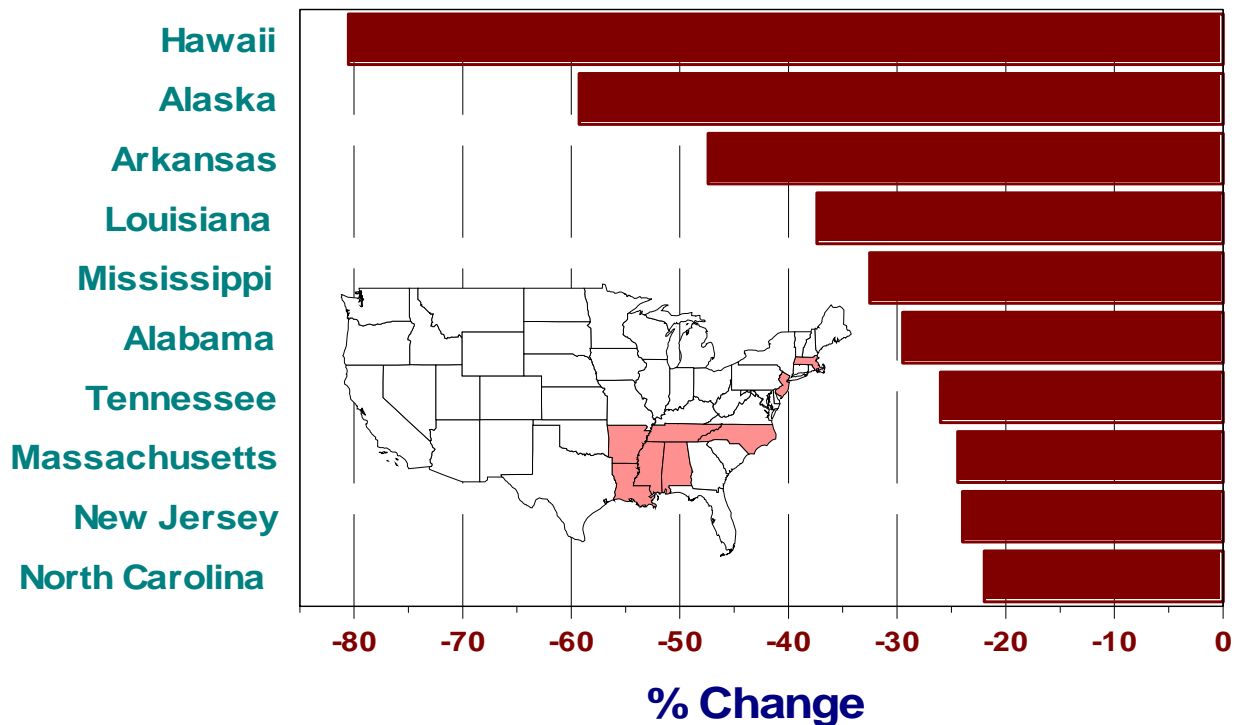
Per Capita Milk Production: 2008 vs 2003

U.S. Average = +6.6%

Largest Per Capita Increases

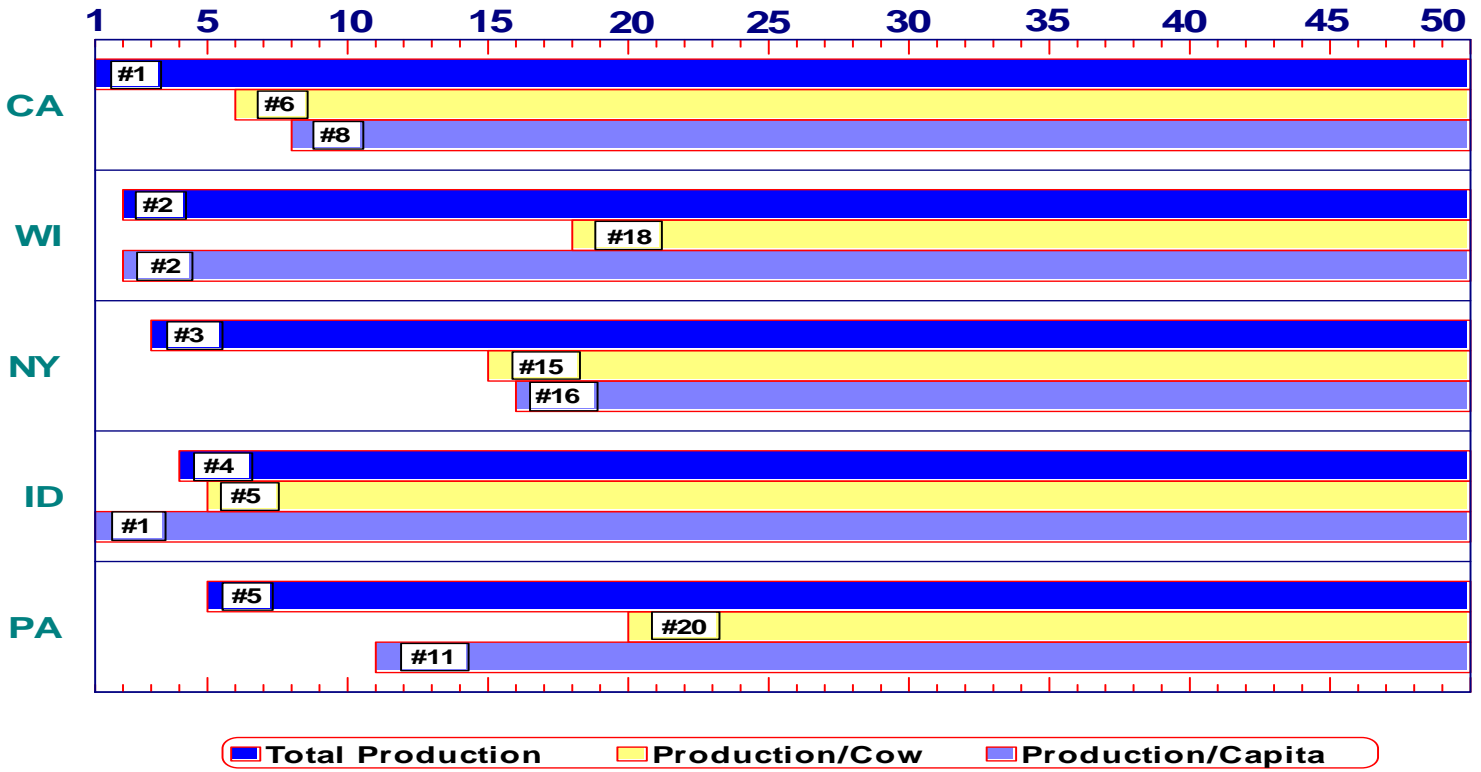


Largest Per Capita Decreases

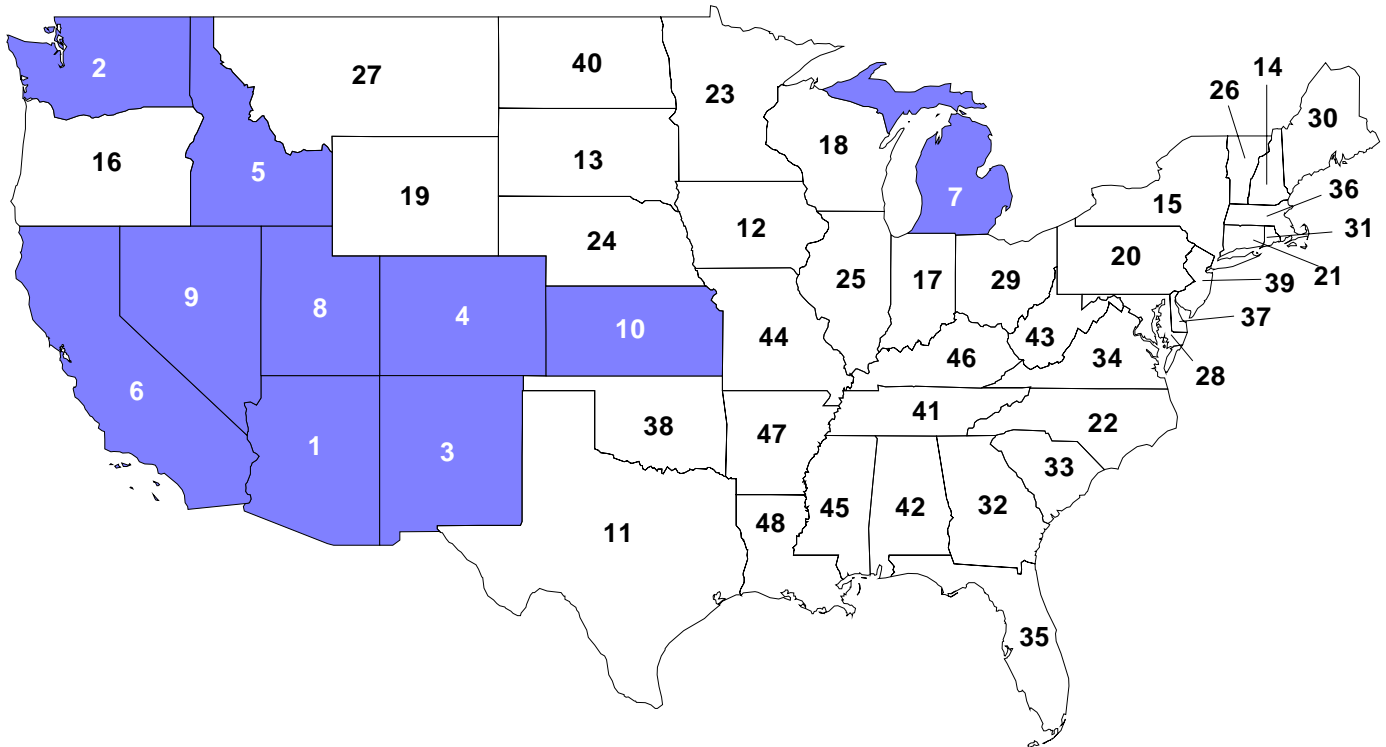


2008 Milk Production: Top Five States

State Rankings



2008 Milk Production Per Cow Ranking Top Ten States Highlighted



Per Capita Milk Production

2008 versus 2007 & 2003 - By State

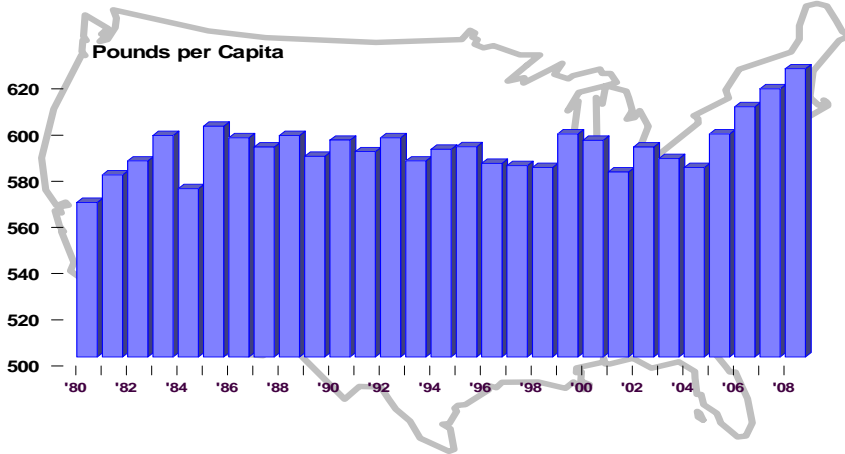
States	Per Capita Milk Production			Change In Per Capita Milk Production			
	2008	2007	2003	2008 vs 2007		2008 vs 2003	
				Pounds	Percent	Pounds	Percent
1 Idaho	8,081.7	7,719.2	6,418.3	362.5	4.7	1,663.4	25.9
2 Wisconsin	4,348.3	4,300.9	4,067.4	47.4	1.1	280.9	6.9
3 Vermont	4,149.6	4,077.3	4,257.7	72.3	1.8	-108.1	-2.5
4 New Mexico	3,963.5	3,711.1	3,548.5	252.4	6.8	415.0	11.7
5 South Dakota	2,233.3	2,062.4	1,738.8	170.9	8.3	494.5	28.4
6 Minnesota	1,682.2	1,670.3	1,630.7	11.9	0.7	51.5	3.2
7 Iowa	1,438.4	1,434.0	1,295.0	4.4	0.3	143.4	11.1
8 California	1,121.0	1,118.4	999.3	2.6	0.2	121.7	12.2
9 Washington	869.7	857.6	910.2	12.1	1.4	-40.5	-4.4
10 Kansas	861.8	787.4	781.7	74.4	9.4	80.1	10.2
11 Pennsylvania	849.5	860.1	835.7	-10.6	-1.2	13.8	1.7
12 Michigan	776.0	758.7	632.3	17.3	2.3	143.7	22.7
13 Arizona	669.1	662.6	636.6	6.5	1.0	32.5	5.1
14 North Dakota	651.6	696.0	821.0	-44.4	-6.4	-169.4	-20.6
15 Utah	649.0	649.0	689.6	0.0	0.0	-40.6	-5.9
16 New York	637.9	622.9	622.1	15.0	2.4	15.8	2.5
17 Nebraska	605.6	607.5	649.8	-1.9	-0.3	-44.2	-6.8
18 Oregon	594.7	597.8	610.8	-3.1	-0.5	-16.1	-2.6
19 Colorado	594.2	558.8	473.4	35.4	6.3	120.8	25.5
20 Indiana	516.1	532.1	474.1	-16.0	-3.0	42.0	8.9
21 Maine	458.0	446.3	476.6	11.7	2.6	-18.6	-3.9
22 Ohio	446.6	433.9	392.6	12.7	2.9	54.0	13.8
23 Texas	346.0	309.7	254.7	36.3	11.7	91.3	35.8
24 Montana	323.5	348.1	375.8	-24.6	-7.1	-52.3	-13.9
25 Oklahoma	292.9	317.1	374.2	-24.2	-7.6	-81.3	-21.7
26 Kentucky	283.4	295.1	355.7	-11.7	-4.0	-72.3	-20.3
27 Missouri	273.2	285.5	329.8	-12.3	-4.3	-56.6	-17.2
28 Wyoming	254.8	255.5	107.5	-0.7	-0.3	147.3	137.0
29 New Hampshire	227.2	221.0	236.7	6.2	2.8	-9.5	-4.0
30 Virginia	222.2	227.7	235.0	-5.5	-2.4	-12.8	-5.4
31 Nevada	215.0	216.5	216.3	-1.5	-0.7	-1.3	-0.6
32 Maryland	182.7	187.0	220.4	-4.3	-2.3	-37.7	-17.1
33 Tennessee	152.5	162.5	206.2	-10.0	-6.2	-53.7	-26.0
34 Illinois	146.8	149.5	161.8	-2.7	-1.8	-15.0	-9.3
35 Georgia	139.9	146.9	166.4	-7.0	-4.8	-26.5	-15.9
36 Delaware	126.0	131.1	161.3	-5.1	-3.9	-35.3	-21.9
37 Florida	112.4	115.6	127.1	-3.2	-2.8	-14.7	-11.6
38 Connecticut	103.7	104.6	118.4	-0.9	-0.9	-14.7	-12.4
39 West Virginia	99.8	107.7	119.2	-7.9	-7.3	-19.4	-16.3
40 Mississippi	99.0	110.9	146.7	-11.9	-10.7	-47.7	-32.5
41 North Carolina	96.7	101.9	124.0	-5.2	-5.1	-27.3	-22.0
42 Louisiana	72.3	79.8	115.5	-7.5	-9.4	-43.2	-37.4
43 South Carolina	71.2	73.1	76.6	-1.9	-2.6	-5.4	-7.0
44 Arkansas	68.3	77.7	129.8	-9.4	-12.1	-61.5	-47.4
45 Alabama	39.5	42.6	56.0	-3.1	-7.3	-16.5	-29.5
46 Massachusetts	39.1	39.4	51.7	-0.3	-0.8	-12.6	-24.4
47 New Jersey	19.0	19.4	25.0	-0.4	-2.1	-6.0	-24.0
48 Rhode Island	18.9	17.2	20.5	1.7	9.9	-1.6	-7.8
49 Hawaii	14.4	27.8	73.7	-13.4	-48.2	-59.3	-80.5
50 Alaska	10.5	12.9	25.8	-2.4	-18.6	-15.3	-59.4
U.S. Totals	624.9	616.2	586.0	8.7	1.4	38.9	6.6

Data Sources:

Milk Production : Milk Production, February 2009, National Agricultural Statistics Service, Agriculture Statistics Board, USDA.
Population : U.S. Census Bureau, Department of Commerce. (July 1st population estimates for each year.)

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	<u>1/2009</u>	<u>12/2008</u>	<u>1/2009</u>	<u>12/2008</u>	<u>1/2009</u>	<u>12/2008</u>
Northeast	14.14	15.06	3.36	-0.22	44.15	46.27
Appalachian	16.41	16.23	----	----	70.29	69.19
Florida	18.92	18.88	----	----	81.63	84.48
Southeast	16.62	16.85	----	----	68.14	66.67
Upper Midwest	11.60	15.04	0.82	-0.24	14.05	16.98
Central	12.49	13.63	1.71	-1.65	34.68	40.51
Mideast	13.22	14.42	2.44	-0.86	42.49	47.87
Pacific Northwest	12.12	13.00	1.34	-2.28	28.23	43.09
Southwest	13.50	14.75	2.72	-0.53	34.82	60.77
Arizona	12.49	13.97	----	----	31.55	33.65

U.S. Milk Production Per Capita



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.



FIRST CLASS
 U.S. POSTAGE
 PAID
 SHAWNEE MISSION, KS
 PERMIT NO. 377

FEDERAL MILK MARKET ADMINISTRATOR
 P.O. BOX 14650
 SHAWNEE MISSION, KANSAS 66285-4650

Website: www.fmmacentral.com
 E-mail: market.administrator@fmmacentral.com
 Phone: 913-495-9300

FIRST CLASS