

# MARKETING SERVICE

## BULLETIN

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

United States milk production in 2008 **increased** 2.34% compared with 2007 to a record 190.0 billion pounds. The 2008 total was 4.4 billion pounds greater than 2007's record 185.6 billion pounds, and was an **increase** of 2.06% on an average daily basis. Milk production has exceeded prior year levels in eleven of the last twelve 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.

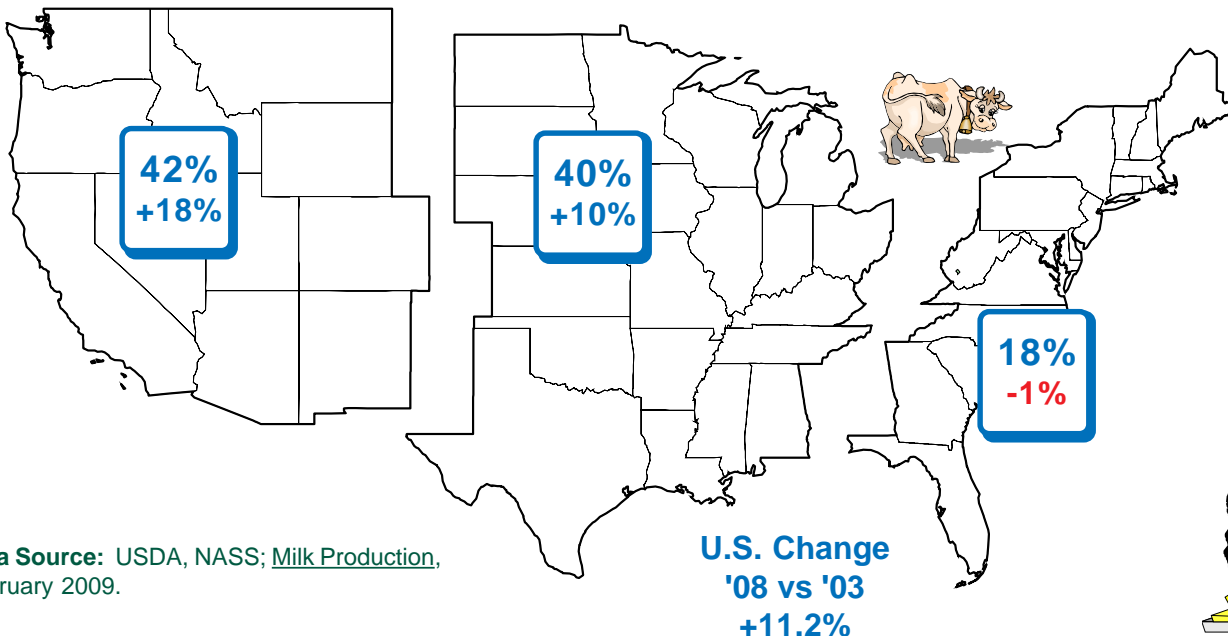


This bulletin addresses the question, "**Where's The Milk ?**", by examining raw milk production and dairy product manufacturing on a regional basis. The map graphics and data tables contained in this bulletin depict the production of milk, cheese, butter, nonfat dry milk, and ice cream for three production regions: Atlantic, Central, and West. The top number shown in each region provides the proportion of total 2008 U.S. production for the product depicted by the respective map. The bottom number provides the percentage change in production comparing 2008 with 2003, *on an average daily basis*.

The **West** and **Central Regions** **increased** milk production by 18.30% and 10.33%, respectively, from 2003 levels on an average daily basis. Conversely, the **Atlantic Region's** production **decreased** by 0.67%. The **West Region** accounted for 41.81% of U.S. milk production in 2008, **up** 2.52 percentage points compared with 2003. The **Central Region** accounted for 39.79% of total U.S. production, but this region's percentage of the U.S total **decreased** by 0.32 percentage points versus 2003. The **Atlantic Region** accounted for the smallest proportion of the 2008 total at 18.40%, and this proportion was **down** 2.20 percentage points compared with 2003. The data table for milk production can be found on the back page of this bulletin.

U.S. milk production in 2008 increased by 19.6 billion pounds compared with 2003. The additional milk required to meet increased cheese production during the same period was approximately 13.8 billion pounds.

### Regional Milk Production as a Percentage of 2008 Total U.S. Milk Production with Percentage Change in Production: 2008 vs. 2003



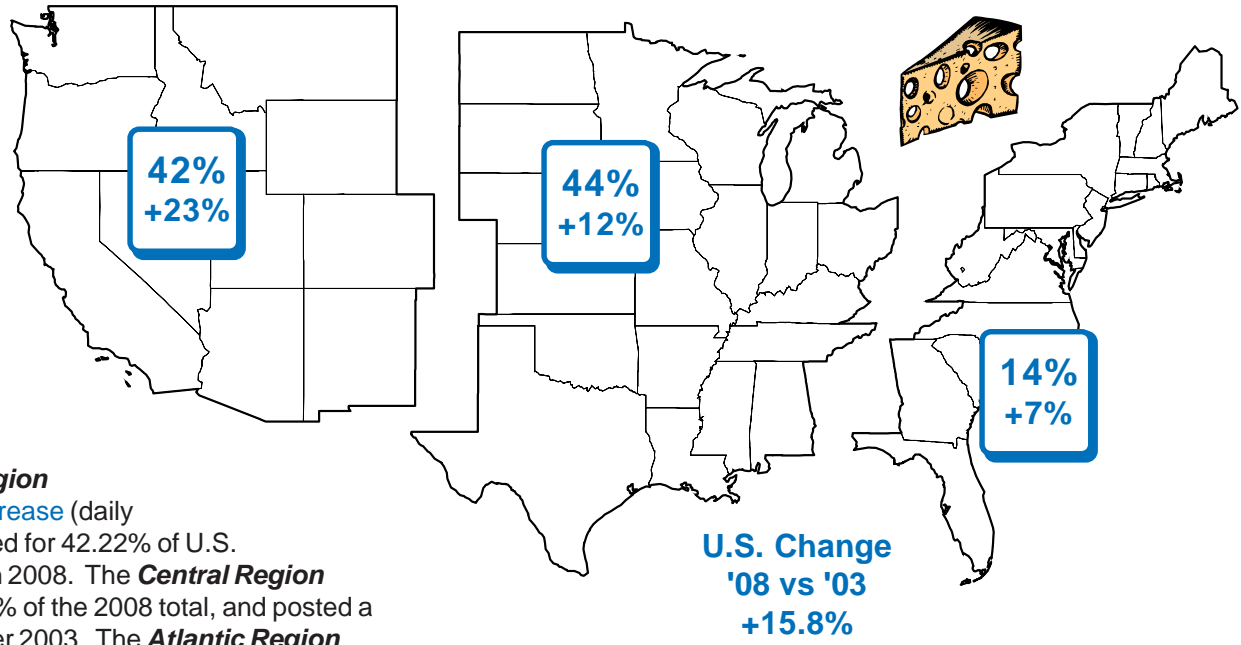
Data Source: USDA, NASS; [Milk Production](#), February 2009.

S E P T E M B E R 2 0 0 9



## Regional Cheese Production as a Percentage of 2008 Total U.S. Cheese Production with Percentage Change in Production: 2008 vs. 2003

U.S. cheese production totaled 9.935 billion pounds during 2008. On a daily basis, the 2008 total was an increase of 1.34% compared with 2007, and it is 15.78% greater than the amount produced in 2003. As depicted by the map on this page, all three regions recorded increases comparing 2008 with 2003. The **West Region** posted a 23.23% increase (daily basis), and accounted for 42.22% of U.S. cheese production in 2008. The **Central Region** accounted for 43.81% of the 2008 total, and posted a 12.33% increase over 2003. The **Atlantic Region** accounted for 13.97% of the U.S. total in 2008, and this region's cheese production increased by 6.57% comparing 2008 average daily production with 2003.



Data Source: USDA, NASS; Dairy Products 2008 Summary, May 2009.

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

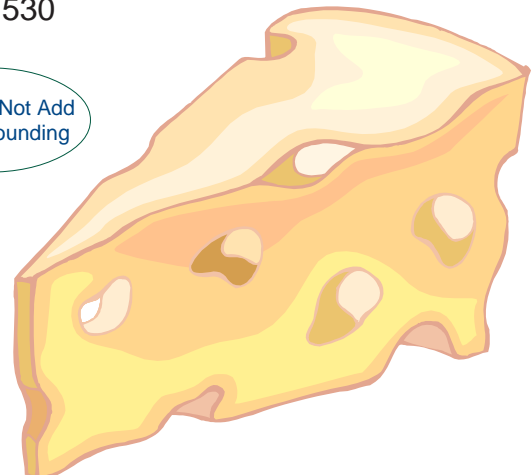
	Atlantic	Central	West	Total
2003	1,298,637	3,863,914	3,394,692	8,557,243
2004	1,301,021	3,941,572	3,633,870	8,876,463
2005	1,282,696	4,001,075	3,843,336	9,127,107
2006	1,298,811	4,030,765	4,194,991	9,524,567
2007	1,413,604	4,081,402	4,281,779	9,776,785
2008	1,387,753	4,352,102	4,194,675	9,934,530

Milk used in cheese production in the West Region increased approximately 8.0 billion lbs. from 2003 to 2008. For comparison purposes, Michigan's 2008 milk production totaled 7.8 billion lbs.

### As a Percent of Total Production

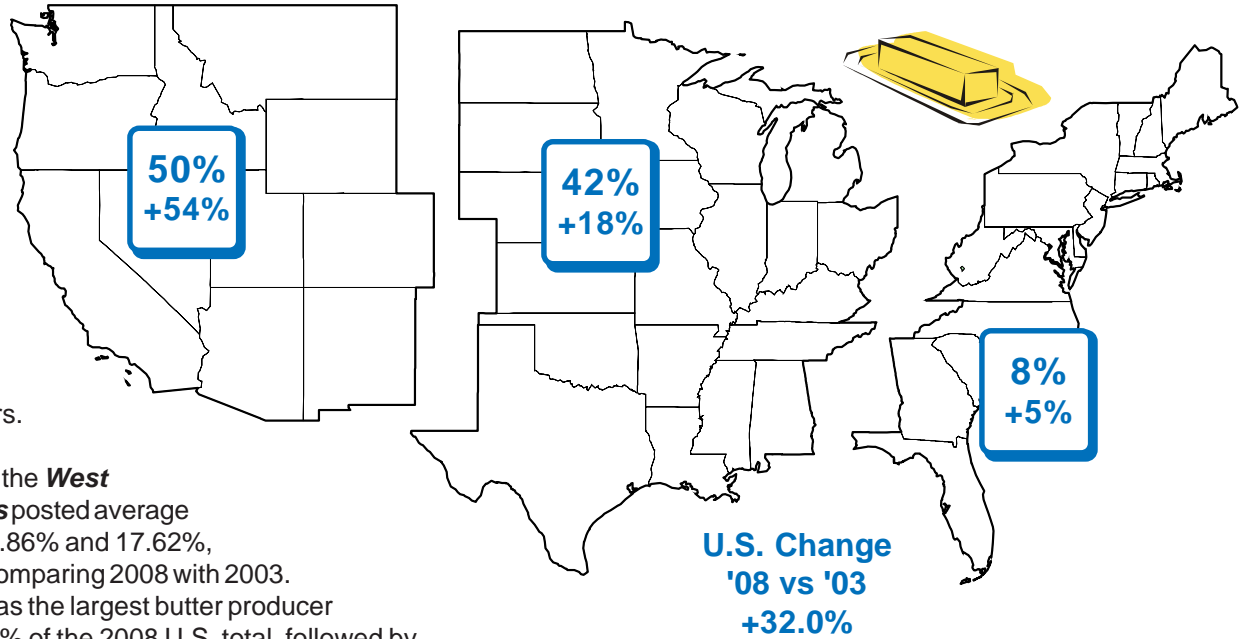
	Atlantic	Central	West
2003	15.18	45.15	39.67
2004	14.66	44.40	40.94
2005	14.05	43.84	42.11
2006	13.64	42.32	44.04
2007	14.46	41.75	43.80
2008	13.97	43.81	42.22

Data May Not Add Due To Rounding



## Regional Butter Production as a Percentage of 2008 Total U.S. Butter Production with Percentage Change in Production: 2008 vs. 2003

U.S. butter production increased by 31.97% on a daily basis comparing 2008 with 2003. Butter production totaled 1.644 billion pounds during 2008 -- up 6.97% from 2007 on an average daily basis. This was the fifth yearly increase recorded over the last six years. As depicted by the accompanying map, the **West** and **Central Regions** posted average daily increases of 53.86% and 17.62%, respectively, when comparing 2008 with 2003. The **West Region** was the largest butter producer accounting for 50.21% of the 2008 U.S. total, followed by the **Central** with 41.75%. While the **Atlantic Region** accounted for only 8.04% of the U.S. total, butter production in this region increased by 5.18% on a daily basis, comparing 2008 with 2003.



**Data Source:** USDA, NASS; *Dairy Products 2008 Summary*, May 2009.

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

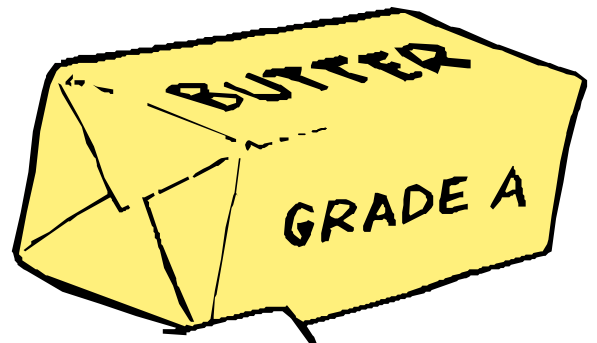
	Atlantic	Central	West	Total
2003	125,288	581,989	535,083	1,242,360
2004	116,703	586,022	546,953	1,249,678
2005	120,407	623,401	603,419	1,347,227
2006	131,667	645,339	671,422	1,448,482
2007	126,243	663,357	743,117	1,532,717
2008	132,140	686,401	825,537	1,644,078

The Atlantic Region's share of U.S. butter production declined from 10.08% in 2003 to 8.04% in 2008, while the West Region increased its proportion from 43.07% to 50.21% during that time frame.

Data May Not Add Due To Rounding

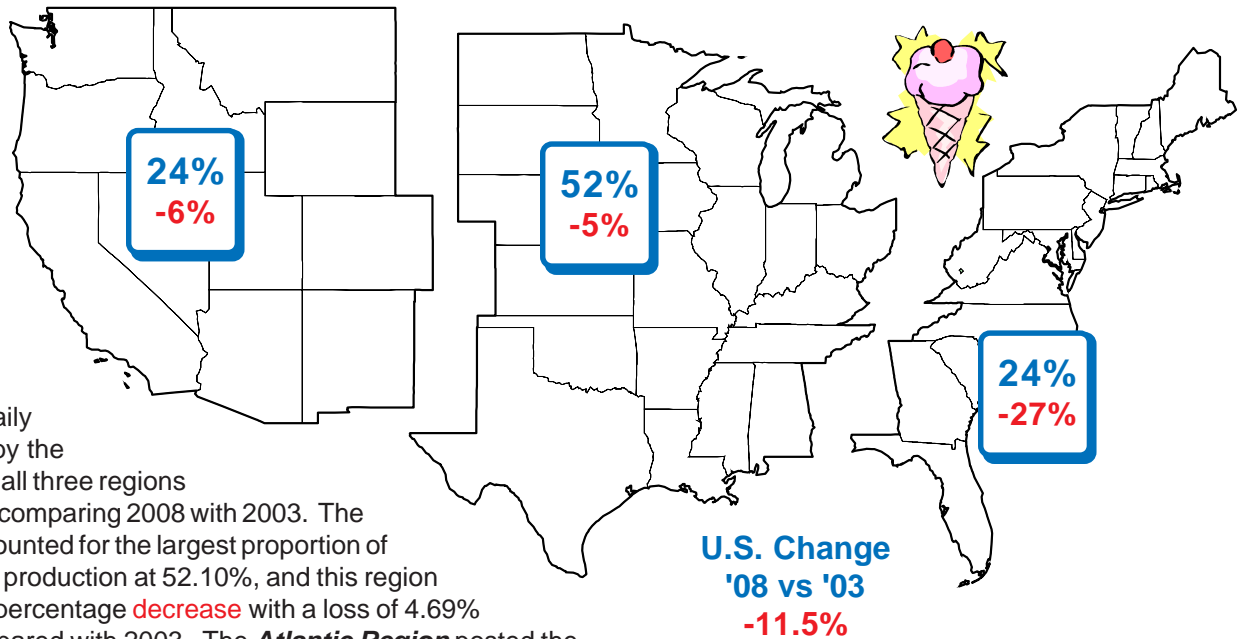
### As a Percent of Total Production

	Atlantic	Central	West
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	8.24	43.28	48.48
2008	8.04	41.75	50.21



## Regional Ice Cream Production\* as a Percentage of 2008 Total U.S. Ice Cream Production with Percentage Change in Production: 2008 vs. 2003

U.S. ice cream production\* decreased by 11.52% on a daily basis comparing 2008 with the 0.993 billion gallons produced in 2003. Ice cream production totaled 0.881 billion gallons during 2008, down 1.40% (-0.010 billion gallons) from the previous year on a daily basis. As depicted by the accompanying map, all three regions recorded decreases comparing 2008 with 2003. The **Central Region** accounted for the largest proportion of 2008 U.S. ice cream production at 52.10%, and this region posted the smallest percentage decrease with a loss of 4.69% on a daily basis compared with 2003. The **Atlantic Region** posted the largest percentage decrease with a decline of 27.02%. This region accounted for the second largest proportion with 24.01% of the 2008 U.S. total. The **West Region** posted the second largest percentage decrease with a loss of 6.16%, and this region accounted for the smallest proportion of the total at 23.90%.



Data Source: USDA, NASS; Dairy Products 2008 Summary, May 2009.

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

	Atlantic	Central	West	Total
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	215,259	466,725	208,985	890,969
2008	211,477	458,922	210,515	880,914

U.S. ice cream production\* has declined in five out of the last six 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 51.24% of total U.S. ice cream production.

Data May Not Add Due To Rounding

### As a Percent of Total Production

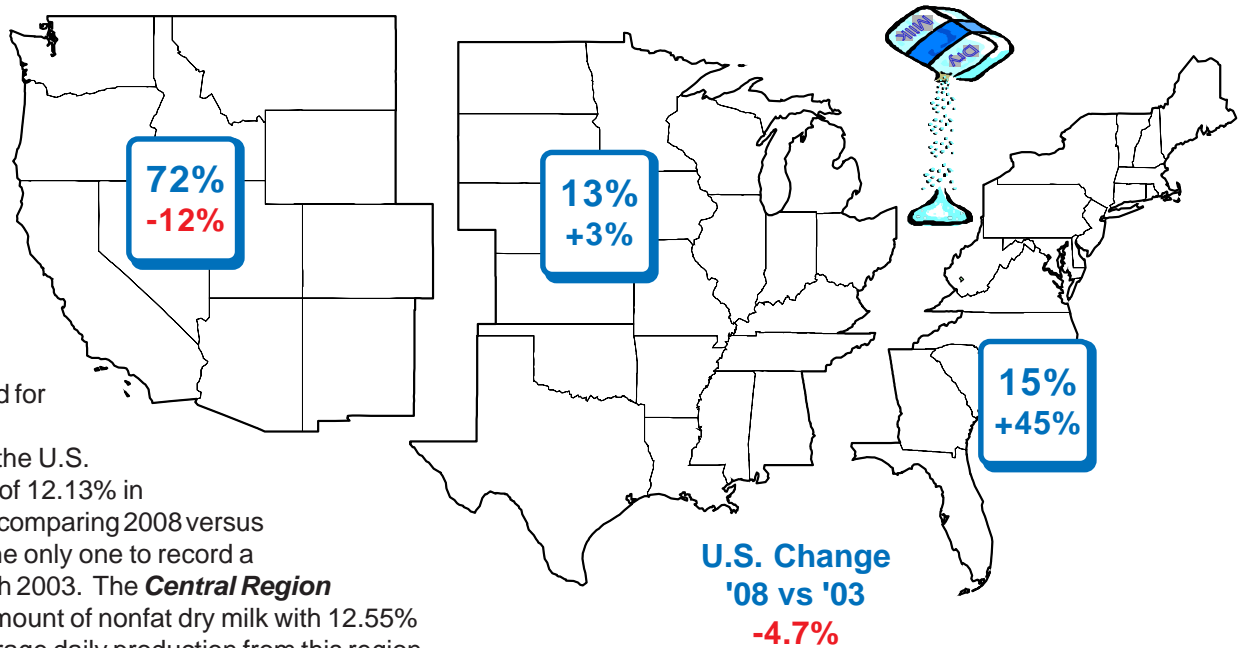
	Atlantic	Central	West
2003	29.10	48.36	22.53
2004	27.39	49.67	22.94
2005	26.68	49.89	23.43
2006	25.08	52.31	22.61
2007	24.16	52.38	23.46
2008	24.01	52.10	23.90



\* Regular (hard) ice cream production.

U.S. nonfat dry milk (NFDM) production **decreased** by 4.66% on a daily basis, comparing 2008 with 2003. Production totaled 1.519 billion pounds in 2008, the highest amount produced since 2003. NFDM production in 2008 was 16.68% **greater** than 2007 on a daily basis, and was the third consecutive year with a production **increase**. The **West Region**, which accounted for the greatest proportion of production at 72.34% of the U.S. total, posted a **decrease** of 12.13% in average daily production comparing 2008 versus 2003. This region was the only one to record a **decreased** compared with 2003. The **Central Region** produced the smallest amount of nonfat dry milk with 12.55% of the total, but 2008 average daily production from this region **increased** by 3.18% compared with 2003. The **Atlantic Region** accounted for 15.11% of the U.S. total in 2008, and average daily production **increased** by 45.28% compared with 2003. This region **increased** by the largest percentage compared with 2003.

## Regional NFDM Production as a Percentage of 2008 Total U.S. NFDM Production with Percentage Change in Production: 2008 vs. 2003



The West Region's NFDM production accounted for 75.08% of the U.S. total since 2000, and 73.91% over the last 5 years (2004 through 2008). In the 5 years preceding 2000, the West Region accounted for 63.70% of the U.S. total.

**Data Source:** USDA, NASS; Dairy Products 2008 Summary, May 2009.

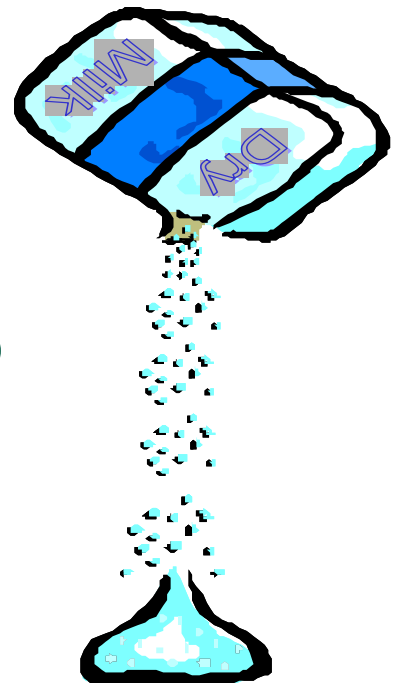
## Total U.S. Nonfat Dry Milk Production By Region (Thousand Lbs.)

	Atlantic	Central	West	Total
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
2008	229,620	190,615	1,098,938	1,519,173

### As a Percent of Total Production

	Atlantic	Central	West
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
2008	15.11	12.55	72.34

Data May Not Add Due To Rounding



	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Aug '09	Jul '09	Aug '09	Jul '09	Aug '09	Jul '09
Northeast	12.35	11.99	1.15	2.02	42.55	40.77
Appalachian	12.86	12.92	-----	-----	71.94	69.81
Florida	14.88	15.08	-----	-----	87.05	88.90
Southeast	13.30	13.07	-----	-----	70.78	66.92
Upper Midwest	11.32	10.30	0.12	0.33	13.41	12.34
<b>Central</b>	<b>11.24</b>	<b>10.76</b>	<b>0.04</b>	<b>0.79</b>	<b>35.28</b>	<b>28.32</b>
Mideast	11.47	11.07	0.27	1.10	40.44	37.85
Pacific Northwest	11.25	10.74	0.05	0.77	29.00	27.39
Southwest	12.34	11.77	1.14	1.80	41.01	35.30
Arizona	11.55	11.10	-----	-----	39.51	38.47

### Total U.S. Milk Production By Region

	Million Lbs.				% of Total		
	Atlantic	Central	West	Total	Atlantic	Central	West
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	34,857	73,799	76,998	185,654	18.78	39.75	41.47
2008	34,961	75,605	79,426	189,992	18.40	39.79	41.81

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