

II. PRODUCTION

A. FARM LEVEL PRODUCTION INFORMATION

Farm Level Production Overview

For the first time since 2001, U.S. farm milk production volume decreased 0.3 percent in 2009, with production of 189.3 billion pounds. That compares with the record production of 189.9 billion pounds in 2008.

The number of U.S. milk cows also declined in 2009, with a decrease of 114,000 cows over 2008. At the same time, the national average milk production per cow rose 0.9 percent to 20,576 pounds, setting a record for the eighth year straight. Two western states lead the nation in per-cow production efficiency; New Mexico surpassed Arizona for the lead, producing 24,320 pounds of milk per cow in 2009, an increase of 4.5 percent over 2008 per-cow production. The State of Washington was second, producing at 23,171 pounds, a slight decrease of 0.7 percent over 2008.

In general, the total number of farms continued a decades-long downward trend, declining from 3.682 million in 1950 to 65,000 in 2009. The average herd size of U.S. farm operations with milk cows rose 1 percent in 2009, from 139 to 142 dairy cows per farm. However, the number of farms with less than 1,000 dairy cows continued to decrease while the number of farms with more than 1000 dairy cows showed a small increase of 1.2 percent in 2009. Farms with herd sizes of less than 30 cows showed the steepest decline between 2008 and 2009, with a decrease of 4.3 percent.

Regional trends in 2009 showed modest production decreases in half of the top 10 milk producing states. California, which leads the nation in farm milk production, had the largest decrease of 4.1 percent in 2009. Texas had the largest percentage increase in output of the top 10 producing states with an increase of 5 percent in 2009; Wisconsin increased its output by 3.1 percent while Minnesota and Michigan both increased output by 2.6 percent. The top 10 states accounted for 73.5 percent of all U.S. milk production.

Nearly 42 percent of the U.S. milk supply produced in 2009 was used to make cheese. Approximately 15 percent of the milk supply was used for fluid milk, while nearly 8 percent went into the production of frozen dessert. Butter production accounted for approximately 18 percent of the milk supply and cultured dairy products account for 5.1 percent, an increase of 4.0 percent over 2008. The demand for milk for cheesemaking has risen dramatically over the past few decades. In 1960, cheesemaking accounted for about 11 percent of all milk produced in the United States; in 1998, this became the dominant use of milk, and now accounts for more than a majority of milk utilization.