

MARKETING SERVICE

B U L L E T I N

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

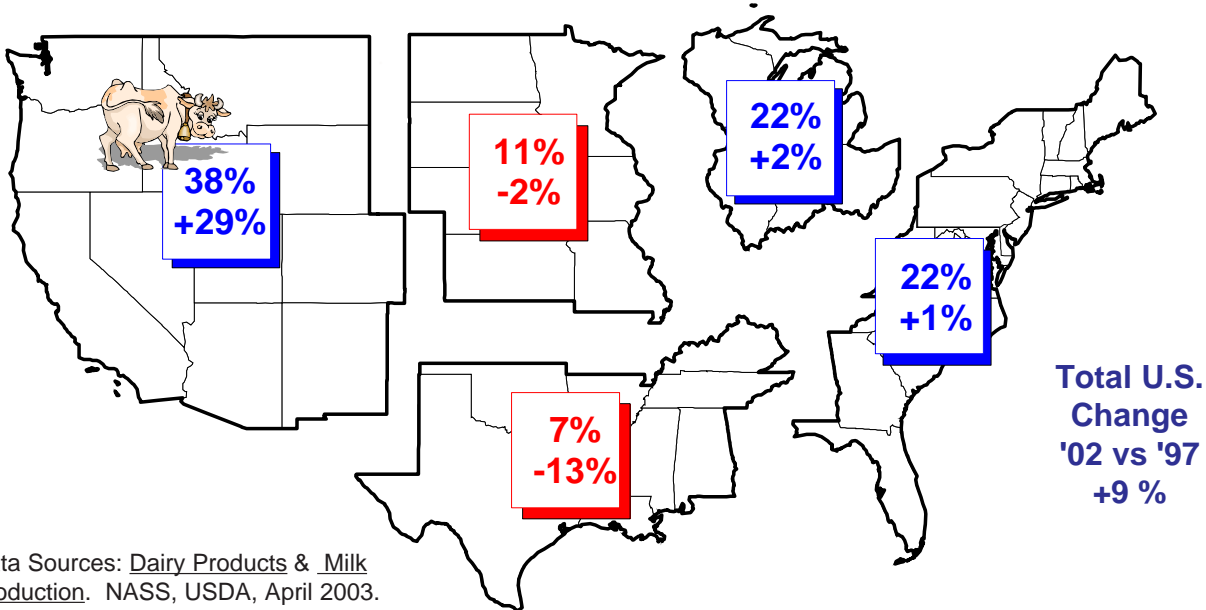
United States milk production during 2001 noted its first year-to-year decrease since 1996 -- falling 1.23% from a record 167.559 billion pounds in 2000. However, 2002 US milk production rebounded with a 2.57% increase, or 4.261 billion pounds, to a record 169.758 billion pounds. U.S. milk production for 2002 is 8.76% greater than the 156.091 billion pounds produced during 1997. This bulletin addresses the question, "Where's The Milk" being produced or utilized?



U.S. 2002 milk production increased 13.7 billion pounds from 1997. Milk used in cheese production utilized most of this increase -- accounting for 12.7 billion pounds.

The map graphics and data tables contained in this bulletin illustrate the regional production of milk, cheese, butter, nonfat dry milk, and ice cream. The top number shown in each map region provides the percentage of the total 2002 U.S. production for the product depicted by the respective map. The bottom number provides the percentage change in the production of the product comparing 2002 with 1997.

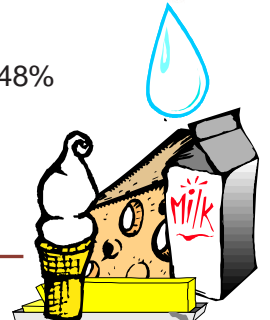
Regional Milk Production As A Percent Of 2002 Total U.S. Milk Production With Percent Change In Production: 2002 vs 1997



Data Sources: Dairy Products & Milk Production. NASS, USDA, April 2003.

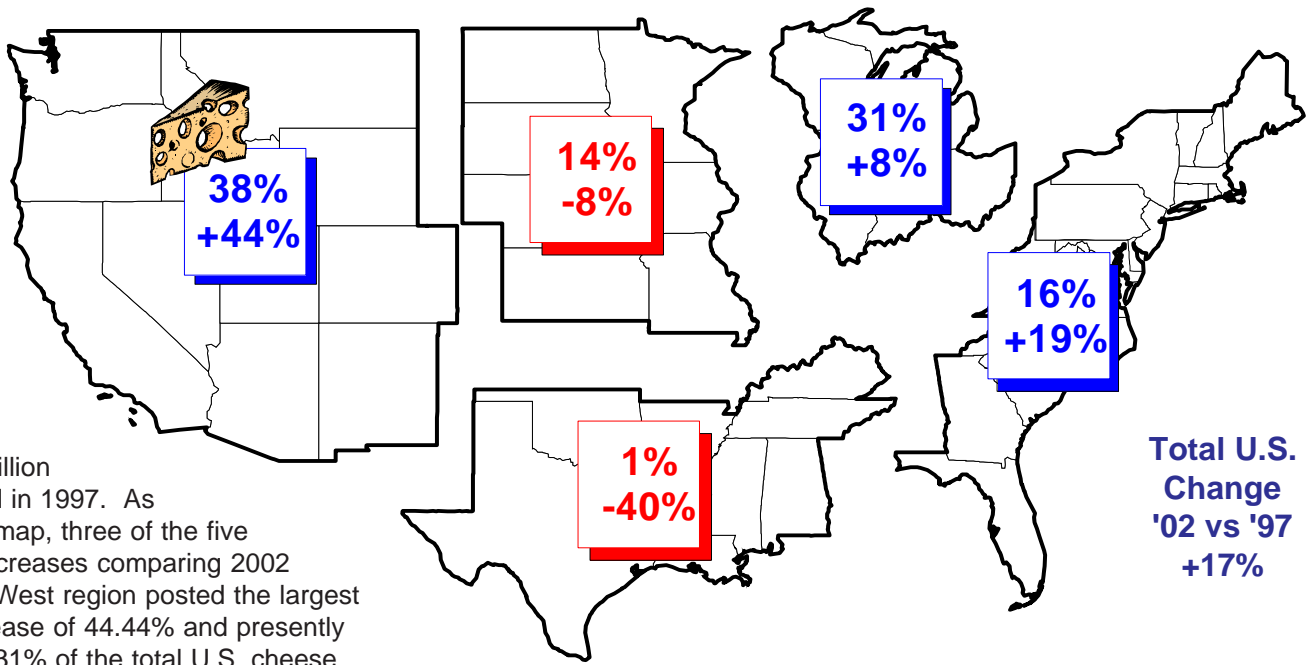
Three regions increased milk production from 1997 levels: the West region accounted for 38.48% of the 2002 U.S. milk production - up 29.15%; the Atlantic region accounted for 21.60% of the production - up 0.95% and the East North Central region accounted for 21.88% of the total production -- up 1.53%. The two other regions experienced a decline in milk production during this time frame. The data table for milk production can be found on the back page.

MAY 2003



Regional Cheese Production As A Percent Of 2002 Total U.S. Cheese Production With Percent Change In Production: 2002 vs 1997

Total U.S. cheese production totaled 8.599 billion pounds during 2002 - up 5.78% from 2001. This increase reverses the first year-to-year decrease ('01 vs '00) since 1984. U.S. cheese production during 2002 was 17.32% higher than the 7.329 billion pounds recorded in 1997. As depicted by the map, three of the five regions noted increases comparing 2002 and 1997. The West region posted the largest percentage increase of 44.44% and presently accounts for 38.31% of the total U.S. cheese production. While the South Central region noted the largest percentage decrease at 39.90 percent, it only produced 0.81% of the total U.S. cheese production.



Milk used in cheese production in the West region increased 10.137 billion pounds from 1997 to 2002. For comparison purposes, Minnesota's 2002 milk production totaled 8.458 billion pounds.

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

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1997	1,138,139	2,469,629	1,323,811	116,576	2,280,863	7,329,018
1998	1,182,078	2,482,707	1,292,564	66,243	2,478,311	7,501,903
1999	1,270,010	2,538,478	1,344,773	48,940	2,691,899	7,894,100
2000	1,325,296	2,606,420	1,338,735	54,337	2,933,210	8,257,998
2001	1,290,457	2,545,063	1,214,400	52,980	3,026,194	8,129,094
2002	1,359,643	2,656,181	1,218,611	70,062	3,294,552	8,599,049

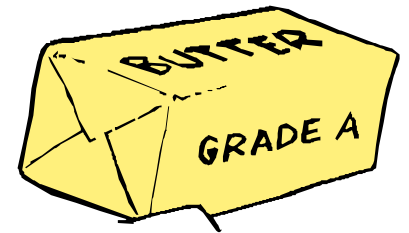
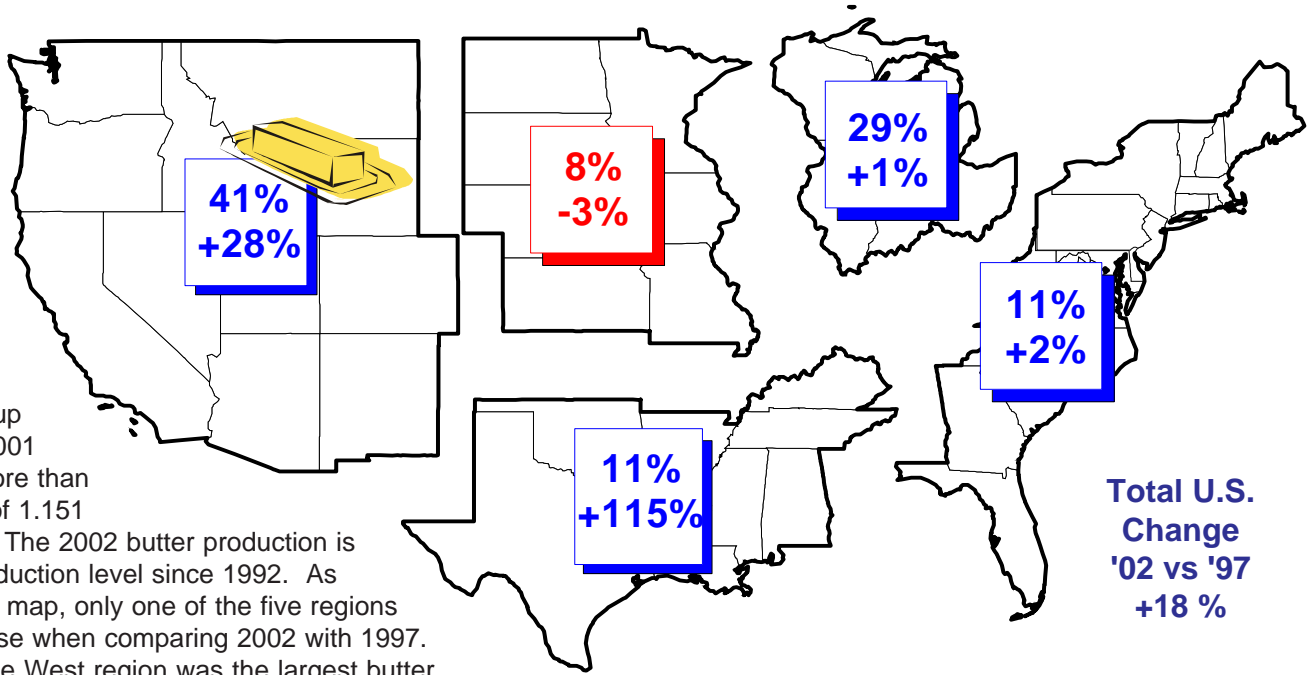
As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
1997	15.53	33.70	18.06	1.59	31.12
1998	15.76	33.09	17.23	0.88	33.04
1999	16.09	32.16	17.04	0.62	34.10
2000	16.05	31.56	16.21	0.66	35.52
2001	15.87	31.31	14.94	0.65	37.23
2002	15.81	30.89	14.17	0.81	38.31

Data May Not Add Due To Rounding

Regional Butter Production As A Percent Of 2002 Total U.S. Butter Production With Percent Change In Production: 2002 vs 1997

Total U.S. butter production increased during 2002 for only the second year-to-year increase since 1992. The previous increase was in 1999. Butter production totaled 1.355 billion pounds during 2002 -- up 10.01% from 2001 and 17.71% more than the 1997 total of 1.151 billion pounds. The 2002 butter production is the highest production level since 1992. As depicted by the map, only one of the five regions noted a decrease when comparing 2002 with 1997. During 2002, the West region was the largest butter producer with 41.09% of the U.S. total. However, the South Central region noted the largest percentage increase from 1997 at 115.28% and saw its market share almost double to 10.83% of the U.S. total.



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

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1997	146,734	383,237	117,984	68,184	435,111	1,151,250
1998	178,432	373,318	131,327	68,128	330,674	1,081,879
1999	172,013	349,758	128,889	114,667	511,763	1,277,090
2000	153,671	327,169	111,766	117,766	545,660	1,256,032
2001	139,578	368,168	105,711	110,593	507,788	1,231,838
2002	149,355	388,236	113,999	146,785	556,773	1,355,148

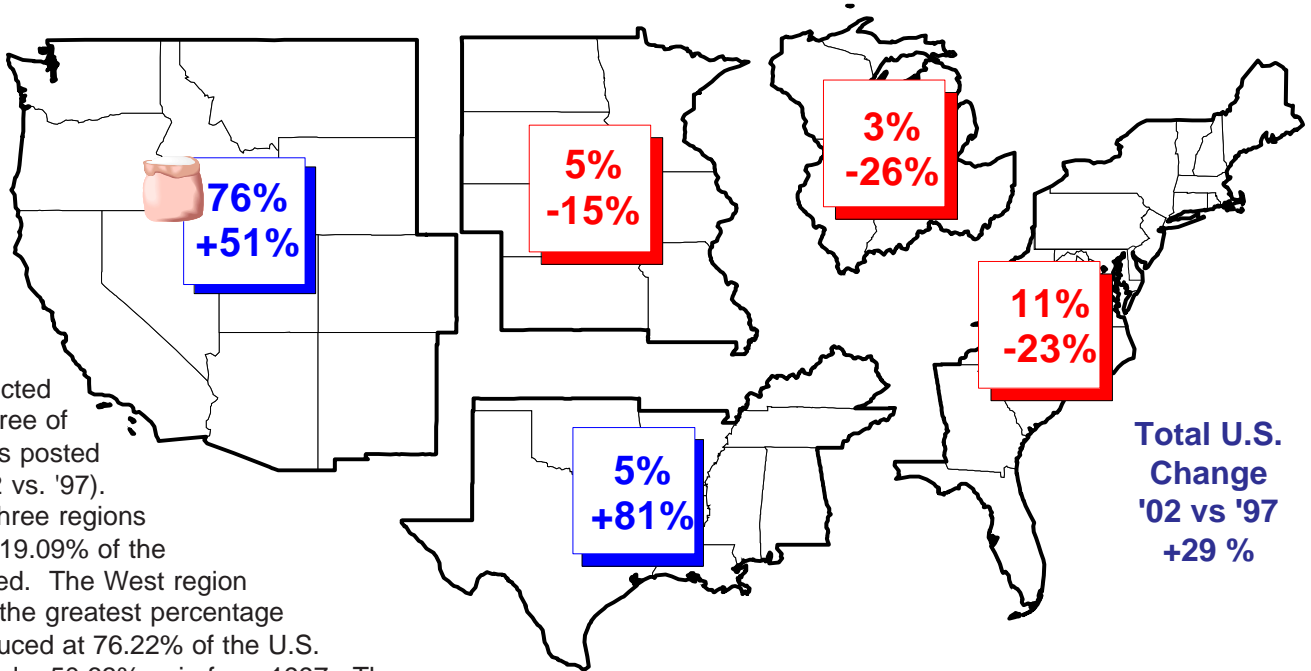
As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
1997	12.75	33.29	10.25	5.92	37.79
1998	16.49	34.51	12.14	6.30	30.56
1999	13.47	27.39	10.09	8.98	40.07
2000	12.23	26.05	8.90	9.38	43.44
2001	11.33	29.89	8.58	8.98	41.22
2002	11.02	28.65	8.41	10.83	41.09

Data May Not Add
Due To Rounding

Regional NFDM Production As A Percent Of 2002 Total U.S. NFDM Production With Percent Change In Production: 2002 vs 1997

Total U.S. nonfat dry milk production increased 10.98% when comparing 2002 with 2001. NFDM production totaled a "decade high" 1.569 billion pounds during 2002. As depicted by the map, three of the five regions posted decreases ('02 vs. '97). Together the three regions accounted for 19.09% of the NFDM produced. The West region accounted for the greatest percentage of NFDM produced at 76.22% of the U.S. total and posted a 50.63% gain from 1997. The South Central region noted the largest percentage gain -- up 81.14% from 1997 but accounted for only 4.69% of the U.S. total nonfat dry milk production.



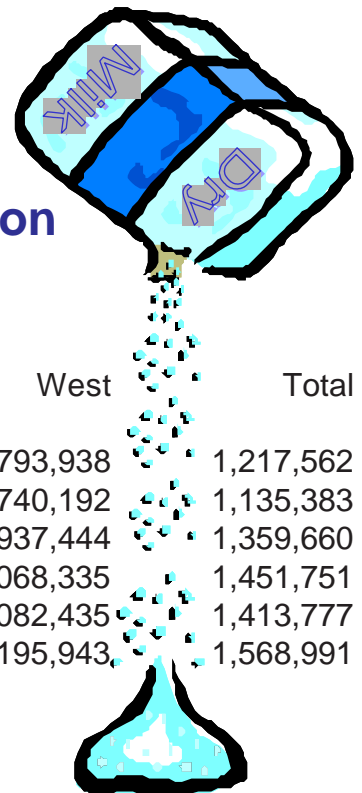
Total U.S. Nonfat Dry Milk Production By Region (Thousand Lbs.)

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1997	222,796	71,406	88,790	40,632	793,938	1,217,562
1998	192,045	56,961	87,151	59,034	740,192	1,135,383
1999	213,639	58,419	95,410	54,748	937,444	1,359,660
2000	153,642	57,205	97,360	75,209	1,068,335	1,451,751
2001	147,823	48,493	77,085	57,941	1,082,435	1,413,777
2002	171,276	52,853	75,320	73,599	1,195,943	1,568,991

As A Percent Of Total Production

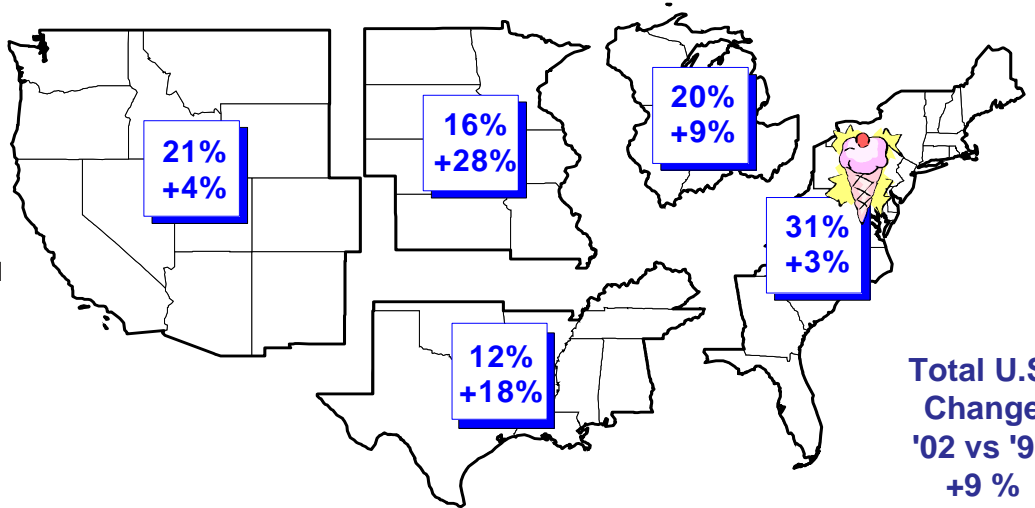
	Atlantic	East-North Central	West-North Central	South Central	West
1997	18.30	5.86	7.29	3.34	65.21
1998	16.91	5.02	7.68	5.20	65.19
1999	15.71	4.30	7.02	4.03	68.95
2000	10.58	3.94	6.71	5.18	73.59
2001	10.46	3.43	5.45	4.10	76.56
2002	10.92	3.37	4.80	4.69	76.22

Data May Not Add
Due To Rounding



**Regional Ice Cream Production As A Percent
Of 2002 Total U.S. Ice Cream Production
With Percent Change In Production: 2002 vs 1997**

Total U.S. ice cream production increased 9.20% when comparing 2002 with 1997. Ice cream production totaled 988.9 million gallons during 2002, up from 905.6 million gallons in 1997. As depicted by the map, all of the five regions noted increases ('02 vs. '97). The Atlantic region accounted for the largest percentage of ice cream produced at 31.09%. The West-North Central region accounted for the largest percentage increase (+27.68%) during the '02 vs. '97 time period.



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

	Atlantic	East-North Central	West-North Central	South Central	West	Total
1997	299,804	178,966	122,009	98,374	206,437	905,590
1998	297,303	177,522	135,858	117,353	207,044	935,080
1999	312,524	174,479	124,702	130,022	230,483	972,210
2000	282,633	193,159	142,796	127,670	233,387	979,645
2001	276,337	193,108	146,920	121,940	231,816	970,121
2002	307,510	194,737	155,786	116,352	214,498	988,883

As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
1997	33.11	19.76	13.47	10.86	22.80
1998	31.80	18.98	14.53	12.55	22.14
1999	32.14	17.95	12.83	13.37	23.71
2000	28.85	19.72	14.58	13.03	23.82
2001	28.49	19.91	15.14	12.57	23.90
2002	31.09	19.69	15.75	11.77	21.69

Data May Not Add Due To Rounding

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	4/2003	3/2003	4/2003	3/2003	4/2003	3/2003
Pacific Northwest	10.21	10.13	0.80	1.02	28.05	27.17
Western	9.95	9.88	0.54	0.77	16.27	20.39
Arizona-Las Vegas	10.34	10.29	-----	-----	29.15	29.57
Central	10.22	10.08	0.81	0.97	27.41	27.48
Southwest	11.19	11.10	1.78	1.99	36.67	35.95
Upper Midwest	9.87	9.65	0.46	0.54	18.15	17.54
Southeast	11.81	11.91	-----	-----	60.38	62.49
Mideast	10.47	10.36	1.06	1.25	36.18	37.42
Appalachian	12.04	12.07	-----	-----	65.89	64.97
Northeast	11.45	11.43	2.04	2.32	41.29	41.32
Florida	13.12	13.31	-----	-----	83.30	86.40

Total U.S. Milk Production By Region (Million Lbs.)

	<u>Atlantic</u>	<u>East-North Central</u>	<u>West-North Central</u>	<u>South Central</u>	<u>West</u>	<u>Total</u>
1997	36,319	36,585	19,687	12,922	50,578	156,091
1998	36,573	36,928	19,959	12,308	51,580	157,348
1999	37,100	37,180	20,257	12,094	56,085	162,716
2000	36,989	37,938	20,800	12,203	59,628	167,559
2001	36,286	36,951	19,546	11,255	61,458	165,496
2002	36,664	37,146	19,377	11,252	65,319	169,758

As A Percent Of Total Production

	<u>Atlantic</u>	<u>East-North Central</u>	<u>West-North Central</u>	<u>South Central</u>	<u>West</u>	
1997	23.27	23.44	12.61	8.28	32.40	Data May Not Add Due To Rounding
1998	23.24	23.47	12.69	7.82	32.78	
1999	22.80	22.86	12.45	7.43	34.47	
2000	22.08	22.64	12.41	7.28	35.59	
2001	21.93	22.33	11.81	6.80	37.14	
2002	21.60	21.88	11.41	6.63	38.48	

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