



# MARKETING SERVICE

## BULLETIN

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

United States milk production for 2003 was a record 170.313 billion pounds as indicated by published USDA data. The 2003 total slightly edged out the 2002 record of 170.063 billion pounds by 0.15 percent. Since 1991, there have only been three years during which total milk production decreased from year earlier levels -- 1993, 1996, and 2001.



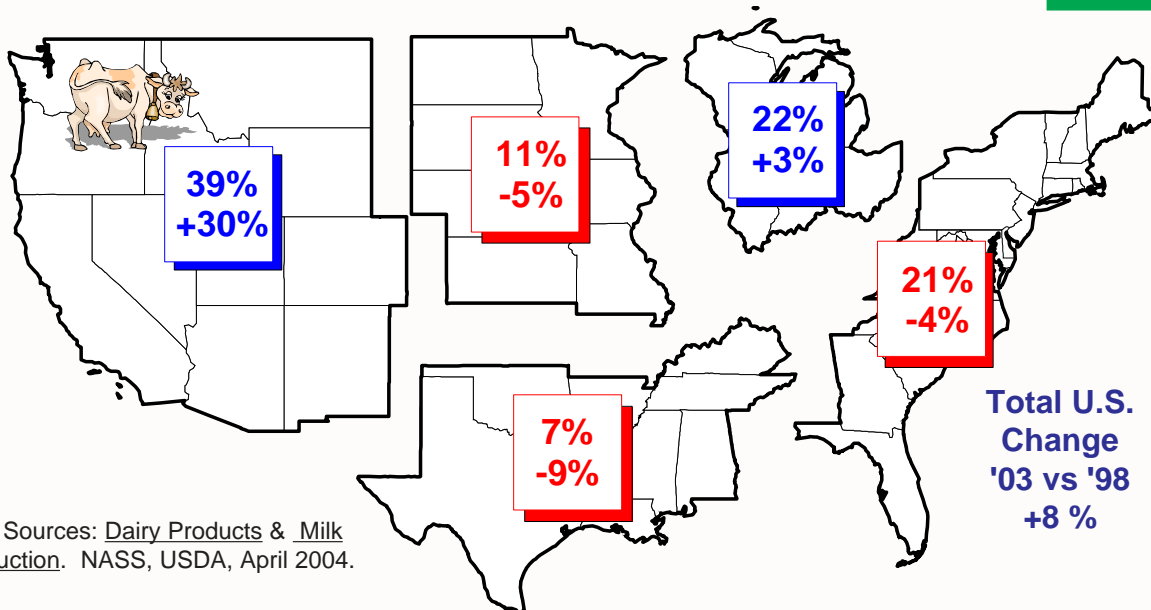
Currently, industry sources are discussing the shortage, "real or perceived," of milk in the United States. Closing the Canadian border as a result of the mad cow "incident" and the cutback of Monsanto's bST production are often quoted causes for this "shortage." Low milk prices in early 2003 coupled with attractive beef prices may have resulted in higher-than-normal numbers of dairy cattle moving to slaughter. Deficits may or may not be "national" in scope. Regional milk production compared with regional utilizations may create "localized" surpluses and deficits.

**U.S. 2003 milk production increased 13.0 billion pounds compared with 1998. Milk used in cheese production utilized nearly 85% of this increase -- accounting for approximately 11.0 billion pounds.**

This bulletin addresses the question, "Where's The Milk" being produced or utilized? 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 2003 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 2003 with 1998.

### Regional Milk Production As A Percent Of 2003 Total U.S. Milk Production With Percent Change In Production: 2003 vs 1998

MAY 2004



Data Sources: Dairy Products & Milk Production. NASS, USDA, April 2004.

Two regions increased milk production from 1998 levels which offset the decreases from the three other regions. Increasing were: the West region accounted for 39.27% of the 2003 U.S. milk production -- up 29.65%; and the East North Central region which accounted for 22.37% of the total production -- up 3.19%. The data table for milk production can be found on the back page.

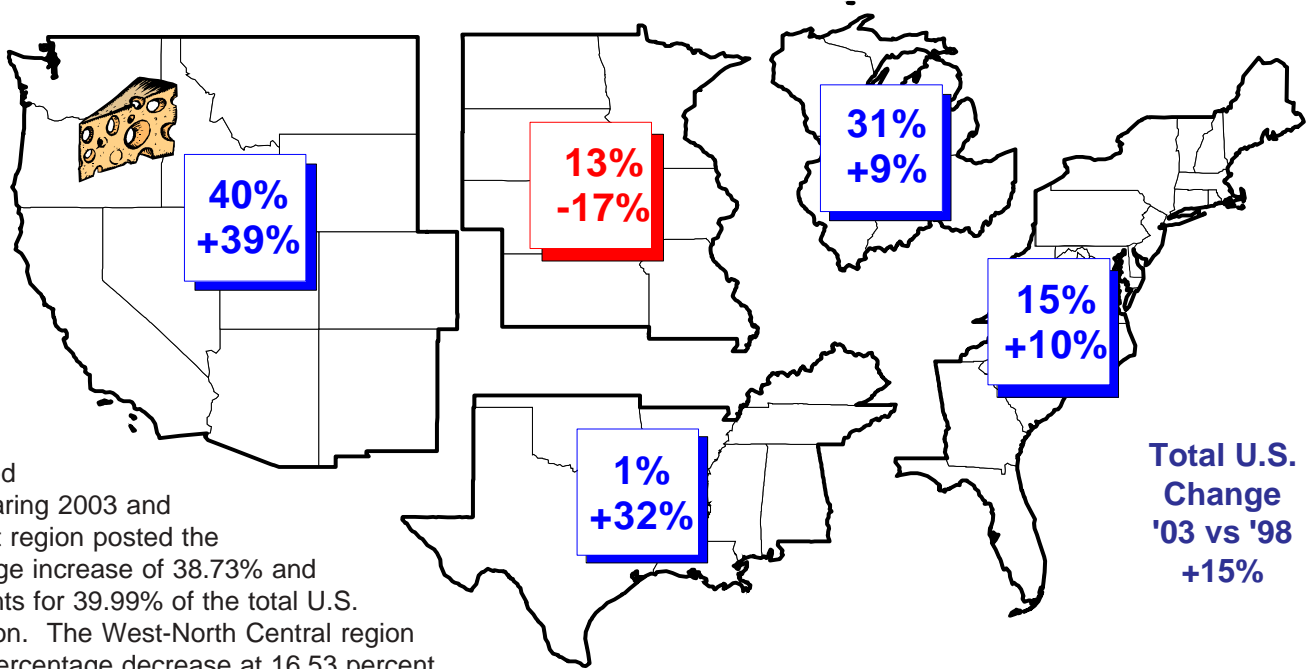


## Regional Cheese Production As A Percent Of 2003 Total U.S. Cheese Production With Percent Change In Production: 2003 vs 1998

U.S. cheese production totaled 8.598 billion pounds during 2003 - up 0.59% from 2002.

U.S. cheese production during 2003 was 14.61% higher than the 7.502 billion pounds recorded in 1998. As depicted by the map, four of the five regions noted

increases comparing 2003 and 1998. The West region posted the largest percentage increase of 38.73% and presently accounts for 39.99% of the total U.S. cheese production. The West-North Central region noted the only percentage decrease at 16.53 percent from 1998. This region currently produces 12.55% of the total U.S. cheese production.



Milk used in cheese production in the West region increased 9.599 billion pounds from 1998 to 2003. For comparison purposes, Minnesota's 2003 milk production totaled 8.258 billion pounds.

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

	Atlantic	East-North Central	West-North Central	South Central	West	Total
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	1,305,841	2,657,669	1,215,918	73,266	3,294,573	8,547,267
2003	1,296,010	2,697,241	1,078,940	87,545	3,438,240	8,597,976

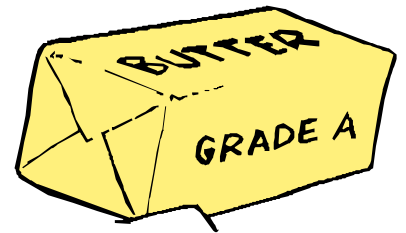
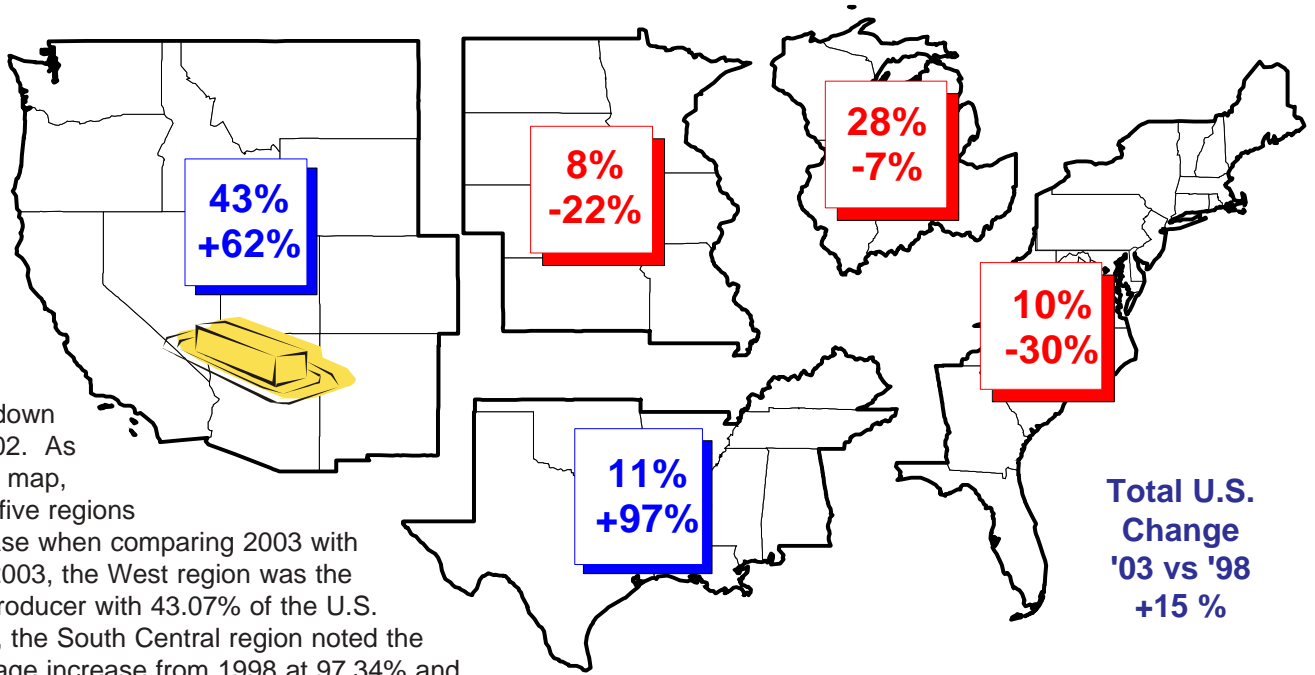
### As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
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	15.28	31.09	14.23	0.86	38.55
2003	15.07	31.37	12.55	1.02	39.99

Data May Not Add Due To Rounding

## Regional Butter Production As A Percent Of 2003 Total U.S. Butter Production With Percent Change In Production: 2003 vs 1998

U.S. butter production decreased during 2003 continuing a trend broken by only two increases since 1992. The increases were in 1999 & 2002. Butter production totaled 1.242 billion pounds during 2003 -- down 8.32% from 2002. As depicted by the map, only two of the five regions noted an increase when comparing 2003 with 1998. During 2003, the West region was the largest butter producer with 43.07% of the U.S. total. However, the South Central region noted the largest percentage increase from 1998 at 97.34% and saw its market share almost double to 10.82% of the U.S. total.



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

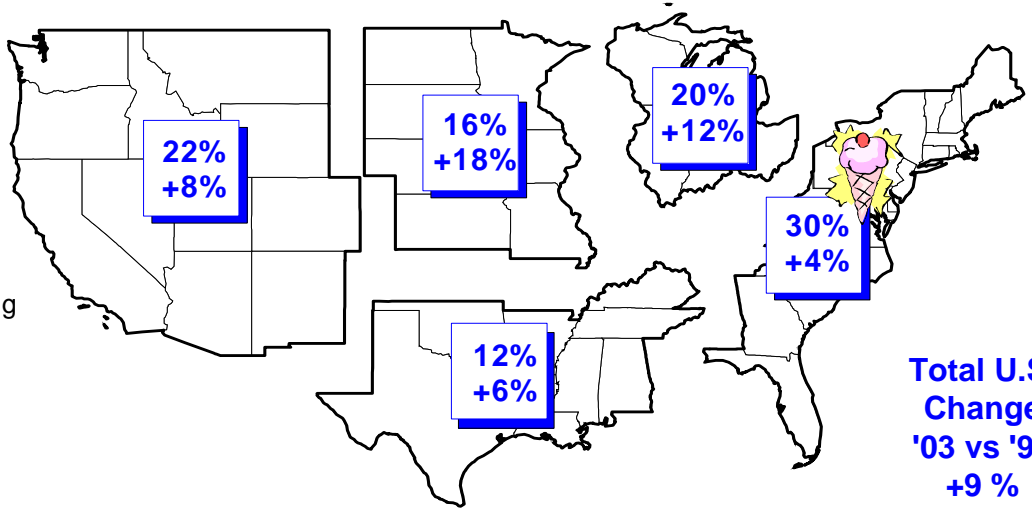
	Atlantic	East-North Central	West-North Central	South Central	West	Total
1998	178,432	373,318	131,327	68,128	330,674	1,081,879
1999	172,013	349,758	128,889	114,667	511,763	1,277,090
2000	153,671	327,169	111,766	117,766	545,660	1,256,032
2001	139,578	368,168	105,711	110,593	507,788	1,231,838
2002	149,355	388,236	113,998	146,785	556,773	1,355,147
2003	125,287	345,685	101,860	134,443	535,083	1,242,358

### As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
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
2003	10.08	27.83	8.20	10.82	43.07

Data May Not Add  
Due To Rounding

**Regional Ice Cream Production As A Percent  
Of 2003 Total U.S. Ice Cream Production  
With Percent Change In Production: 2003 vs 1998**



U.S. ice cream production increased 8.55% when comparing 2003 with 1998. Ice cream production totaled 1.015 billion gallons during 2003, up from 935.1 million gallons in 1998. As depicted by the map, all of the five regions noted increases ('03 vs. '98). The Atlantic region accounted for the largest percentage of ice cream produced at 30.40%. The West-North Central region accounted for the largest percentage increase (+18.24%) during the '03 vs. '98 time period.



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

	Atlantic	East-North Central	West-North Central	South Central	West	Total
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	301,581	201,164	165,026	124,727	212,494	1,004,992
2003	308,574	198,258	160,636	124,687	222,894	1,015,049

**As A Percent Of Total Production**

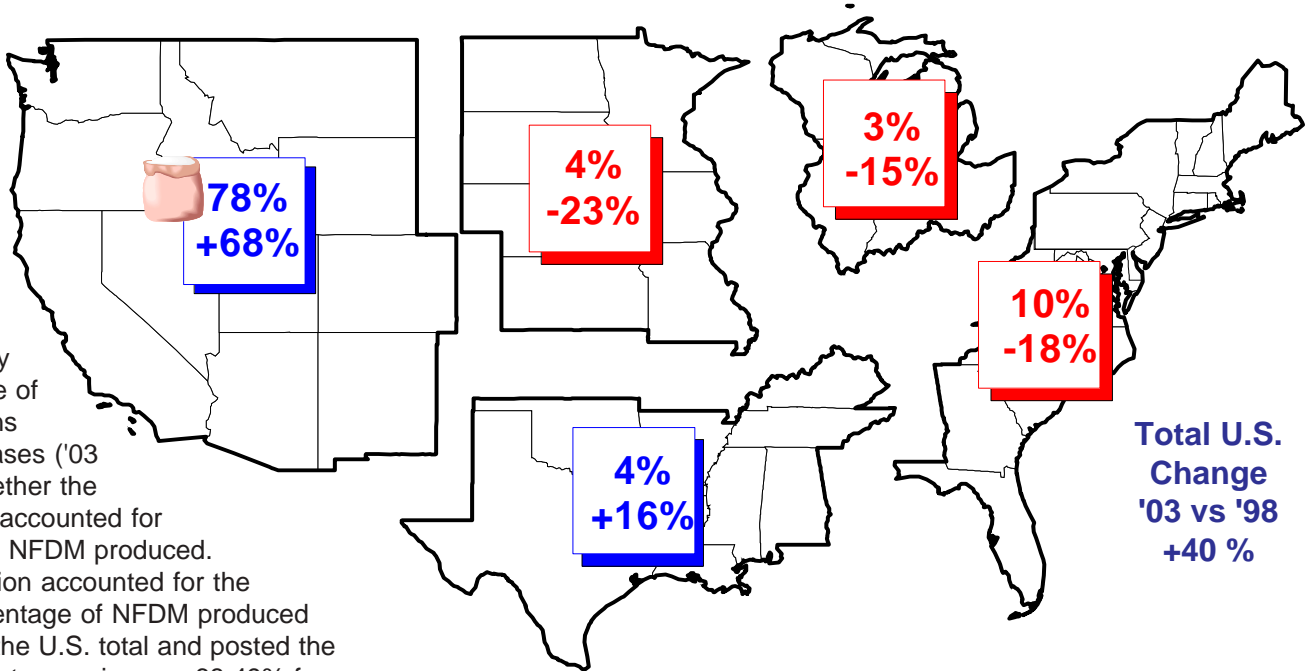
	Atlantic	East-North Central	West-North Central	South Central	West
1998	31.80	18.98	14.53	12.55	22.14
1999	32.14	17.95	12.83	13.37	23.71
2000	28.85	19.72	14.58	13.03	23.82
2001	28.49	19.91	15.14	12.57	23.90
2002	30.01	20.02	16.42	12.41	21.14
2003	30.40	19.53	15.83	12.28	21.96

Data May Not Add  
Due To Rounding

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	4/2004	3/2004	4/2004	3/2004	4/2004	3/2004
Pacific Northwest	15.34	14.55	-4.32	0.06	43.24	31.61
Arizona-Las Vegas	17.29	14.69	----	----	32.68	32.35
<b>Central</b>	<b>15.64</b>	<b>14.63</b>	<b>-4.02</b>	<b>0.14</b>	<b>60.62</b>	<b>53.76</b>
Southwest	16.18	15.22	-3.48	0.73	55.24	58.74
Upper Midwest	15.55	14.70	-4.11	0.21	62.79	58.64
Southeast	16.72	15.61	----	----	69.46	61.14
Mideast	15.88	14.68	-3.78	0.19	62.31	44.50
Appalachian	16.76	15.80	----	----	76.38	76.20
Northeast	17.28	15.56	-2.38	1.07	48.47	44.61
Florida	17.74	16.48	----	----	90.58	83.02

## Regional NFDM Production As A Percent Of 2003 Total U.S. NFDM Production With Percent Change In Production: 2003 vs 1998

U.S. nonfat dry milk production decreased 0.43% when comparing 2003 with 2002 -- falling from a "decade high" 1.596 billion pounds during 2002. As depicted by the map, three of the five regions posted decreases ('03 vs. '98). Together the three regions accounted for 17.20% of the NFDM produced. The West region accounted for the greatest percentage of NFDM produced at 78.49% of the U.S. total and posted the largest percentage gain -- up 68.49% from 1998.



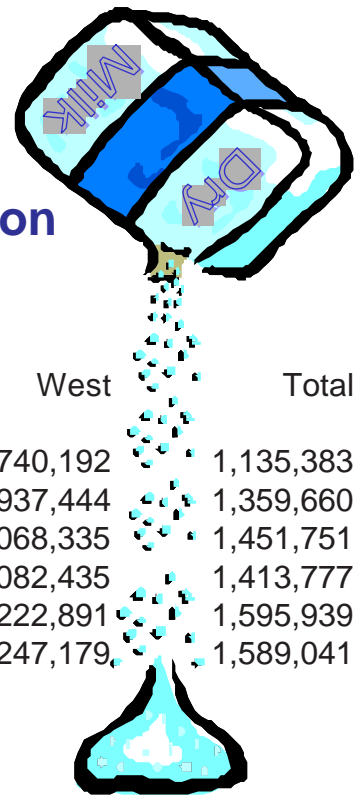
## Total U.S. Nonfat Dry Milk Production By Region (Thousand Lbs.)

	Atlantic	East-North Central	West-North Central	South Central	West	Total
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	1,222,891	1,595,939
2003	157,620	48,314	67,313	68,615	1,247,179	1,589,041

### As A Percent Of Total Production

	Atlantic	East-North Central	West-North Central	South Central	West
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	10.73	3.31	4.72	4.61	76.63
2003	9.92	3.04	4.24	4.32	78.49

Data May Not Add Due To Rounding



## 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>
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	36,611	37,378	19,287	11,263	65,524	170,063
2003	35,127	38,107	19,047	11,157	66,875	170,313

### 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>	
1998	23.24	23.47	12.69	7.82	32.78	Data May Not Add Due To Rounding
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	21.53	21.98	11.34	6.62	38.53	
2003	20.63	22.37	11.18	6.55	39.27	

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