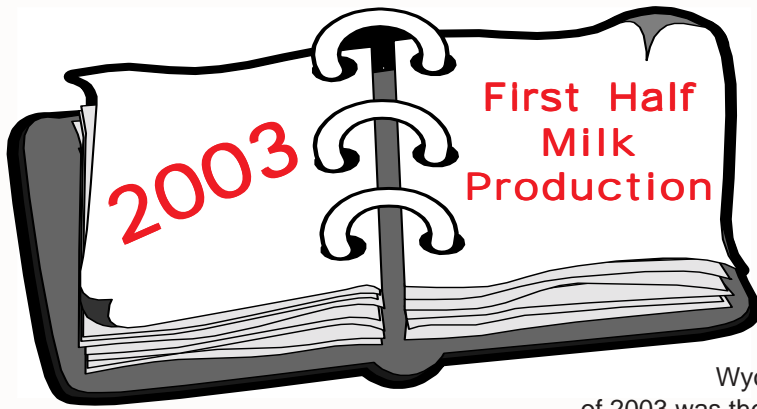




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U.S. milk production during the first six months of 2003 totaled 86.8 billion pounds -- a 0.45% increase compared with the previous year's 86.4 billion pound total. Kansas recorded the largest percentage gain during the first six months of 2003 with an increase of 8.0%, followed by Nevada (+7.9%) and Idaho (+7.0%). Three other states posted gains of more than 5.0%: New Mexico (+6.5%), Oregon (+6.2%), and Alaska (+5.3%). Conversely, 15 states recorded milk production decreases of 5.0% or more, with six posting double-digit percentage declines.

Wyoming's 18.9% decrease during the first six months of 2003 was the largest milk production decline.

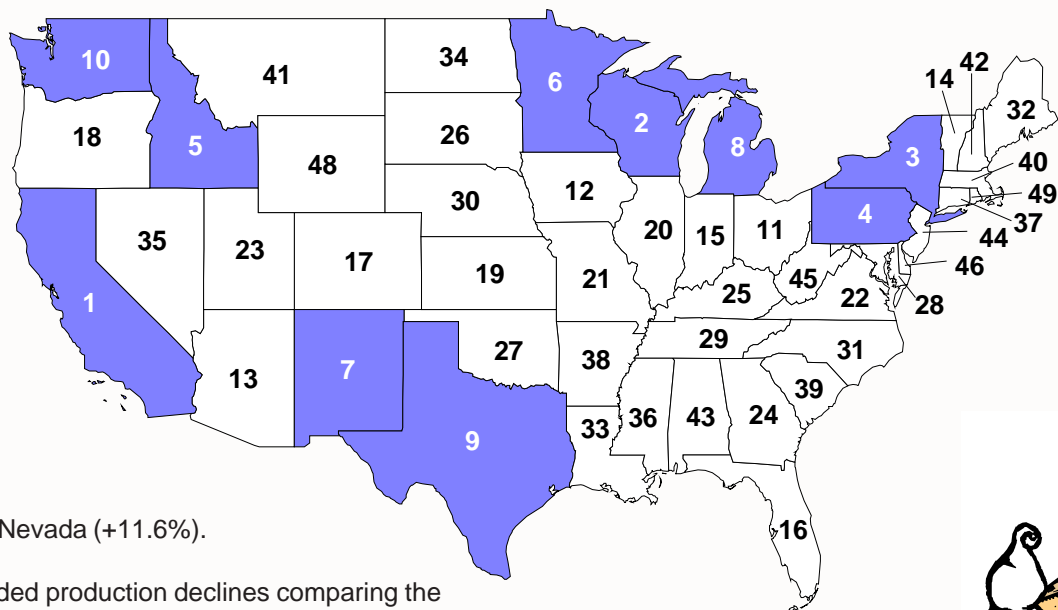
The map on this page details the state ranking in milk production for the first half of 2003. The top ten milk producing states are shaded. The graphics on page 4 depict the states with the largest percentage increases and decreases comparing the first half of 2003 with the comparable period of 1998.

Fourteen states registered milk production increases comparing the first six months of 2003 with first half production during 2002. The average percentage increase for these 14 states was 4.1%. Thirty-five states recorded production decreases, with an average percentage decrease of -5.4%. Montana was the only state that recorded no change in milk production comparing the first half of 2003 with the same period of the previous year.

Comparing January through June 2003 with the same period of 1998, milk production in the United States increased by 6.8 billion pounds, or 8.5%.

Twenty-one states reported milk production increases led by Kansas's 58.1% gain. The average percentage increase for these 21 states was 19.9%, with 13 states posting increases of more than 10.0%. These 13 states were Kansas (+58.1%), New Mexico (+55.4%), Idaho (+52.9%), Oregon (+37.9%), Colorado (+30.4%), Arizona (+29.5%), California (+29.4%), Alaska (+22.7%), Indiana (+18.2%), Montana (+15.8%), Michigan (+14.5%), Nebraska (+13.0%), and Nevada (+11.6%).

2003 First Half Milk Production Ranking Top Ten States Highlighted



Twenty-nine states recorded production declines comparing the first six months of 2003 with 1998. The average percentage

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decline for these states was 16.2%. Fourteen of these states recorded percentage decreases greater than the average loss. These states were:

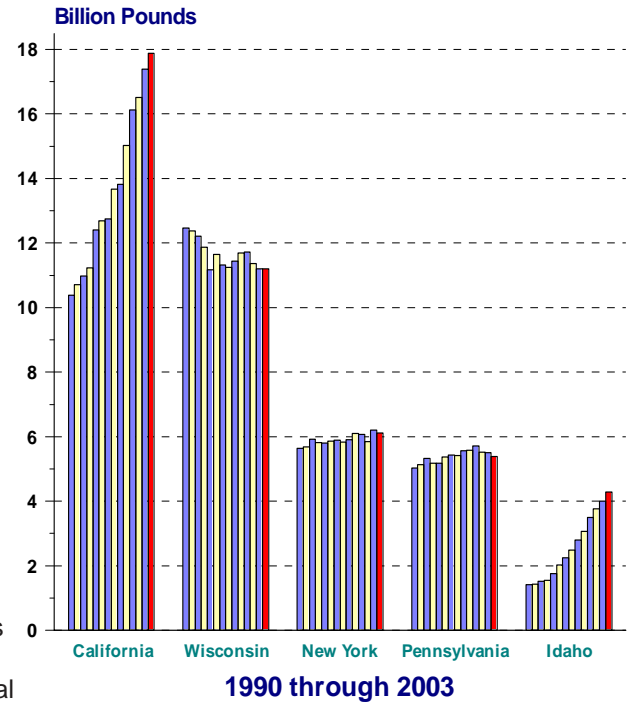
Arkansas	-40.8%	Alabama	-34.7%	Wyoming	-33.3%
Rhode Island	-31.4%	Louisiana	-30.3%	Hawaii	-28.0%
Mississippi	-26.4%	New Jersey	-24.0%	Connecticut	-21.3%
North Dakota	-20.6%	Missouri	-19.9%	Massachusetts	-19.9%
Tennessee	-19.4%	West Virginia	-19.1%		

The graph at the right depicts January through June milk production during the last 14 years for the nation's top five milk producing states. Idaho entered the top five during the first half of 2003 and Minnesota dropped out. While California, Idaho and Wisconsin posted increases comparing the first six months of 2003 with 2002, only California and Idaho recorded increases every year during this 14-year period. Moreover, Idaho's milk production for the first six months of 2003 increased by 52.9% compared with the same period of 1998. California (+29.4%) and New York (+3.7%) also posted increases compared with 1998. Wisconsin (-2.0%) and Pennsylvania (-3.1%) recorded decreased milk production versus 1998.

The map on page 6 provides a ranking of states based on milk production per cow during the first six months of 2003. California, Idaho, New Mexico, Michigan, and Washington rank in the top ten in total milk production and milk production per cow.

January - June Milk Production

Top Five Dairy States



2003 1st Half *Per Capita* Milk Production

A comparison of per capita milk production to per capita consumption provides insight into the supply and demand balance for individual

states and regions throughout the United States. The table on page 7 details and compares per capita milk production by state for the first six months of 2003, 2002, and 1998. This table lists the states in descending order based on January through June 2003 per capita production. States with per capita production of more than 300 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, Wisconsin, Idaho, Minnesota, New Mexico, and Washington.

Per capita production for the first half of 2003 was up by 1.3 pounds (+0.4%) compared with 2002. Fourteen states reported per capita increases during this time period, with six posting increases of 5.0% or more. The largest percentage increases were reported by Kansas at 8.0%, Nevada at 7.8%, and Idaho with a 7.0% gain. New Mexico (+6.5%), Oregon (+6.2%), and Alaska (+5.4%) were other states to post gains of more than 5.0%. Wyoming recorded the largest per capita production decline during the first half of 2003 with a loss of 19.0%. Mississippi (-11.7%), Louisiana (-11.6%), Alabama (-10.1%), Kentucky (-10.1%), and Arkansas (-10.1%) were other states to post declines of more than 10.0%.

Per capita milk production increased by 5.1 pounds (+1.7%) comparing the first half of 2003 with 1998. Thirteen states recorded increases during this time frame, with Kansas's gain of 53.1% (+137 pounds) being the largest percentage increase. The largest per capita pound increase was recorded by Idaho, however, with a gain of 915 pounds (+40.1%). Fourteen states recorded declines of more than 20.0% led by Arkansas's decrease of 44.6%. Twelve states posted declines of between 10.0% & 20.0% compared with 1998. Minnesota (-15.4%), Wisconsin (-5.9%), Vermont (-5.2%), and North Dakota (-20.0%) reported the largest per capita pound losses with declines of 154, 129, 120, and 113 pounds, respectively.

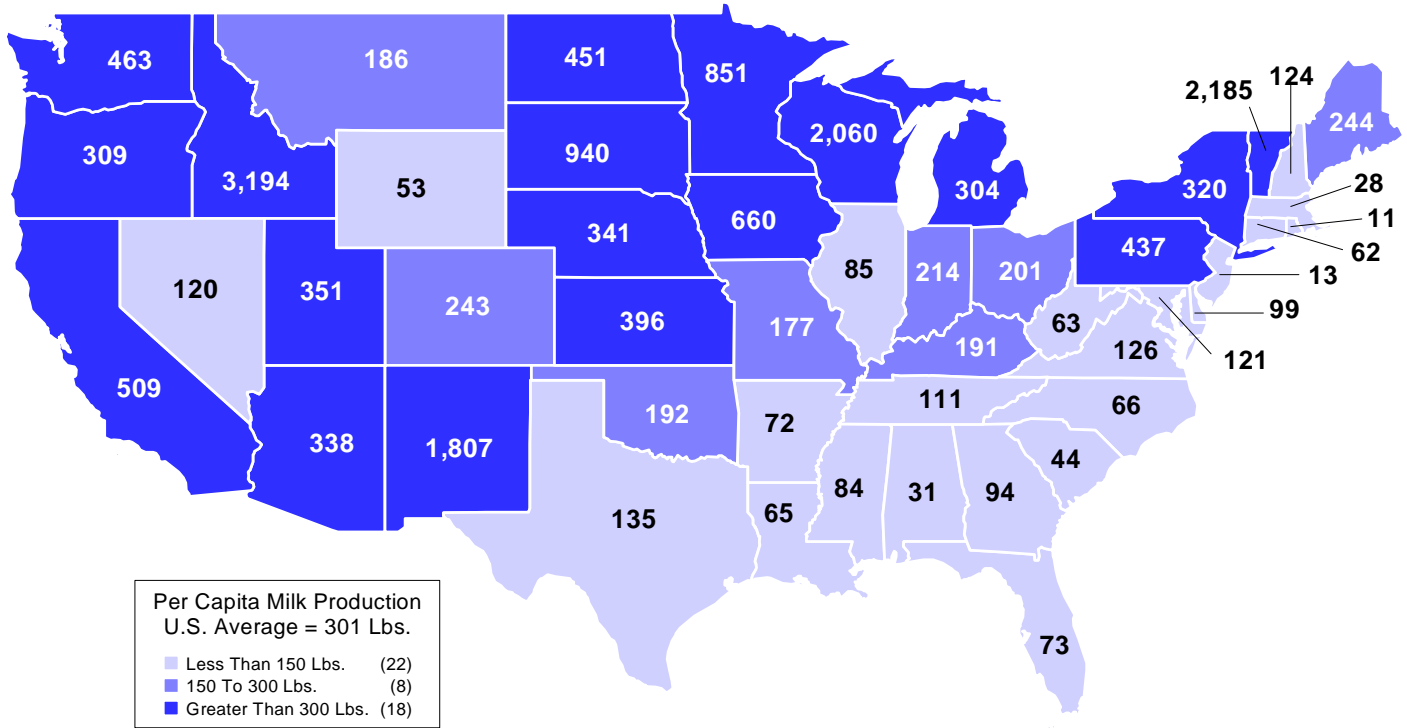
The map on the top of page 3 depicts per capita milk production by state for the first six months of 2003. The 150- and 300-pound levels of per capita production are arbitrary divisions selected for the categories used in this map. These levels reflect approximately one-half of the average annual fluid and total per capita dairy consumption, 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 for the first six months of 2003 compared with 1998. The data represented by this map reflects changes in production combined with population changes that have transpired since 1998. The only states that recorded an increase in production per capita comparing the first six months of 2003 with 1998 located outside of either the West or Midwest (narrative continued on page 8)

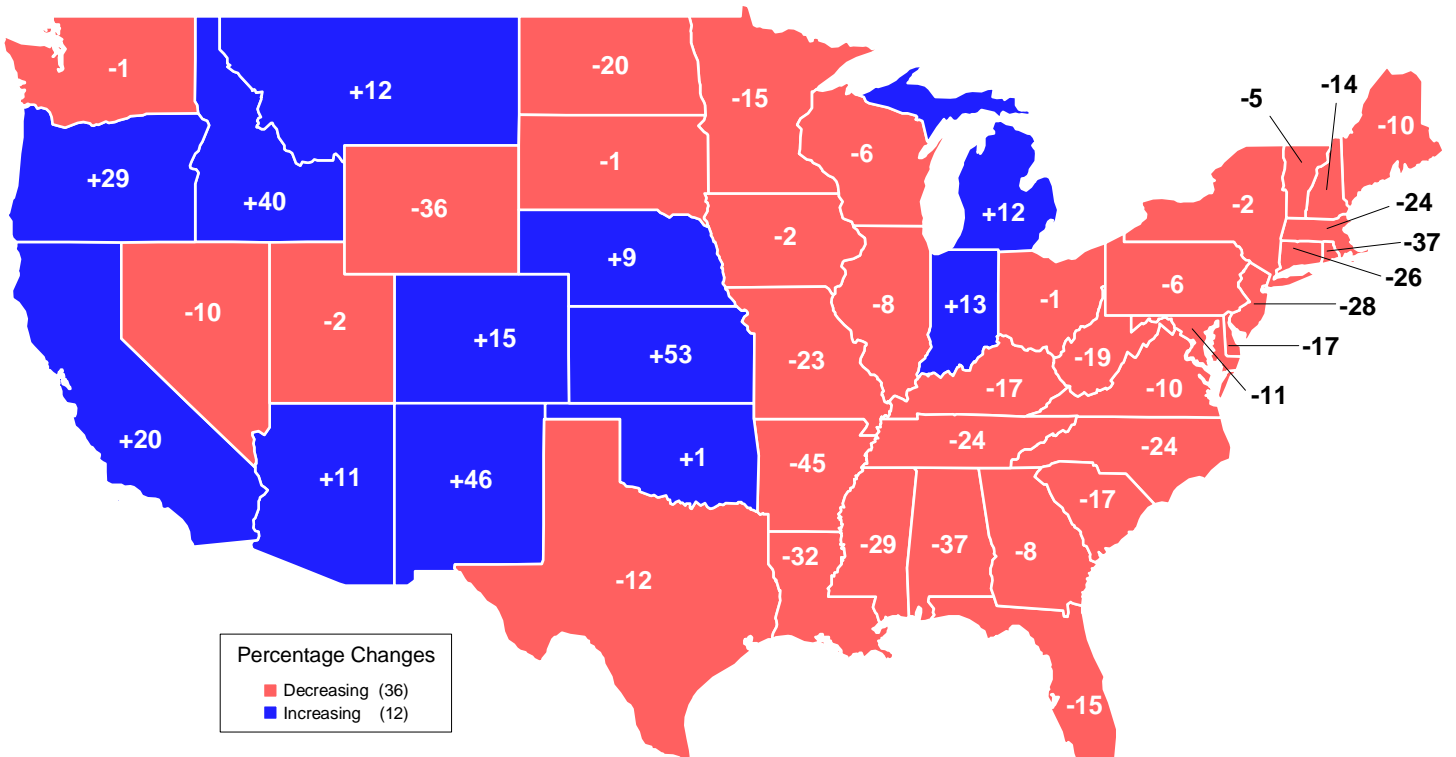
Percentage Of 1st Half Year Totals

	2003 U.S. Milk Production	U.S. Population Estimate*
California	20.61	12.18
Wisconsin	12.91	1.89
New York	7.05	6.64
Pennsylvania	6.21	4.28
Idaho	4.94	0.47
5-State Total	51.71	25.45

2003 First Half Per Capita Milk Production



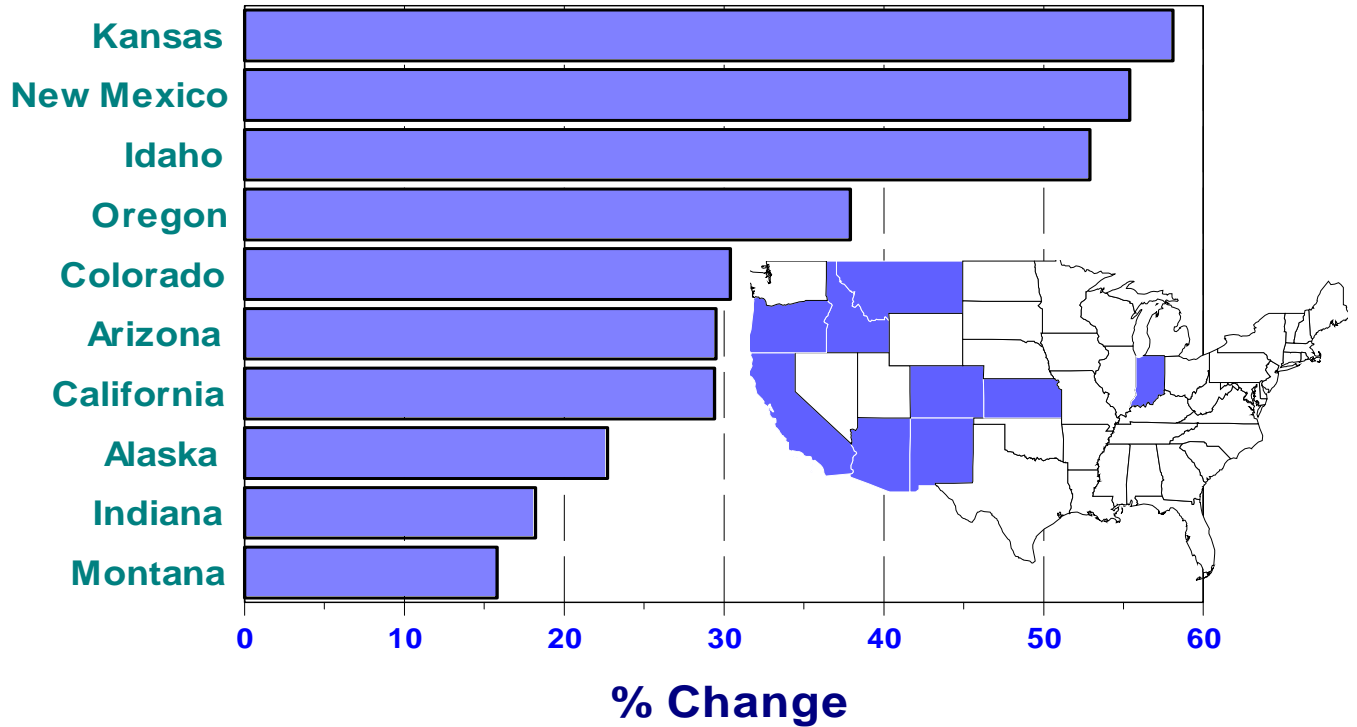
Percent Change In Per Capita Milk Production First Half: 2003 vs 1998



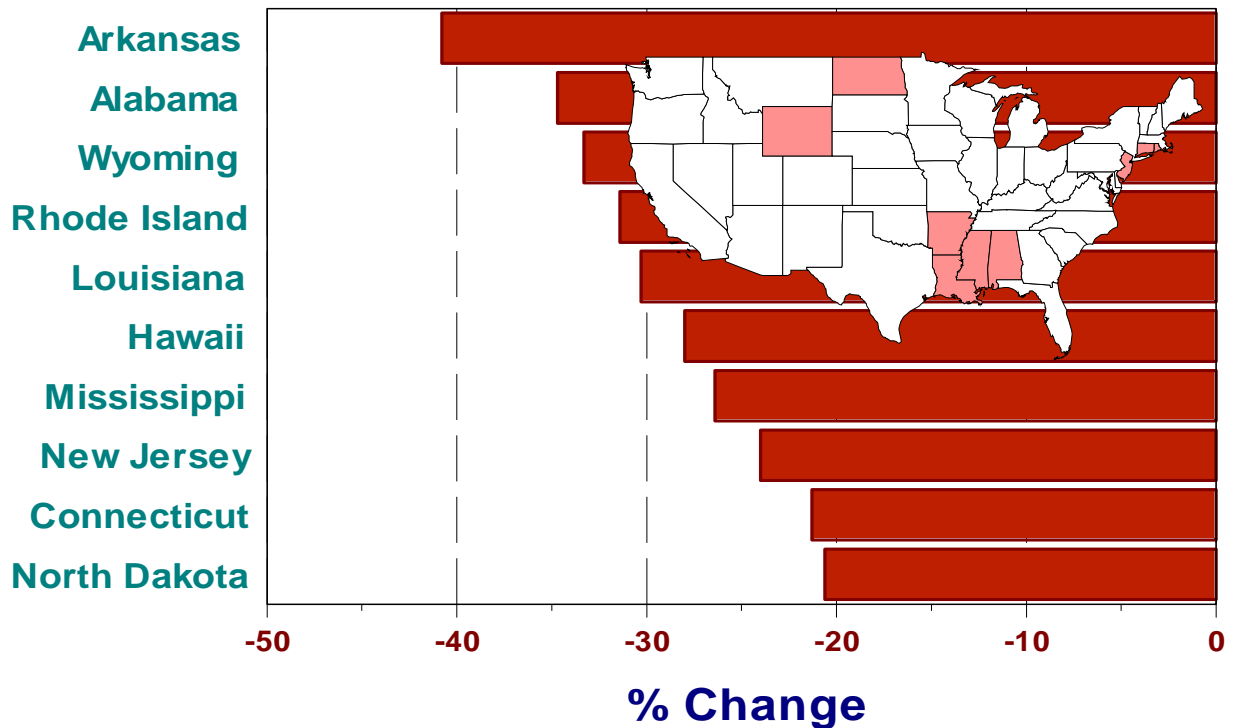
January-June Milk Production: 2003 vs 1998

U.S. Average = +8.5%

Largest Production Increases



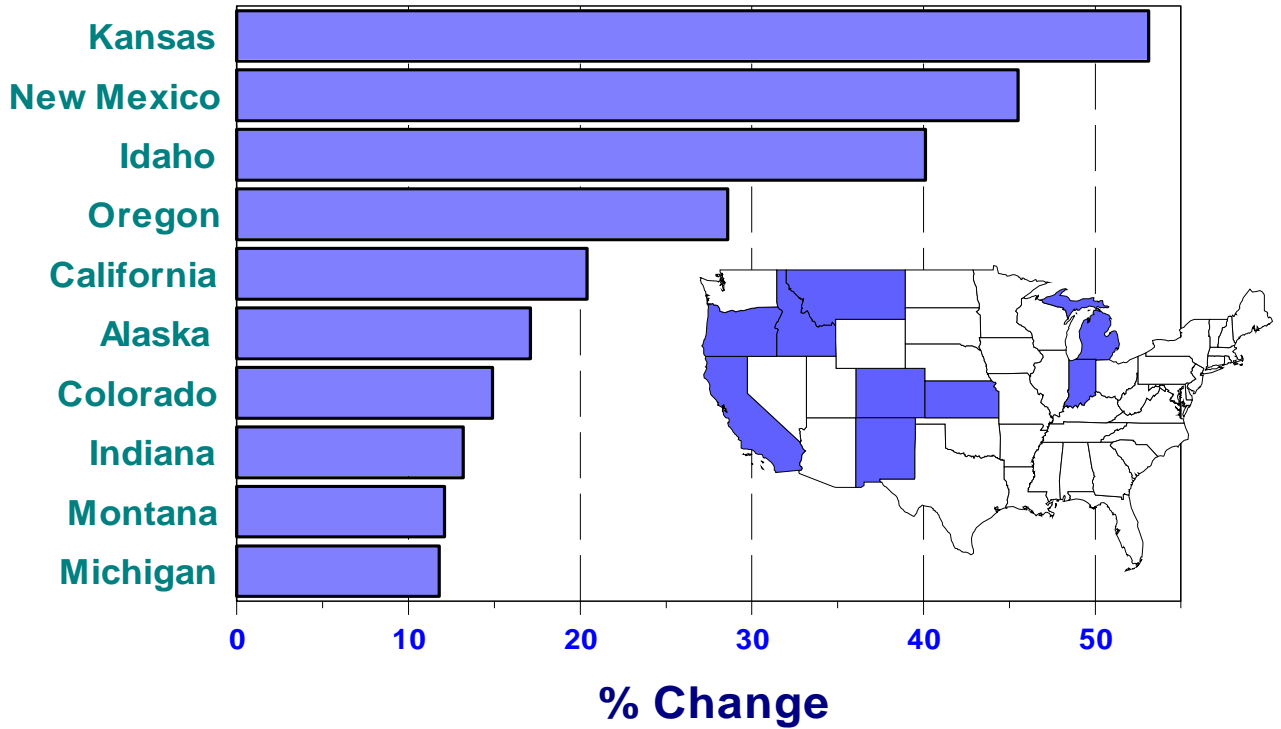
Largest Production Decreases



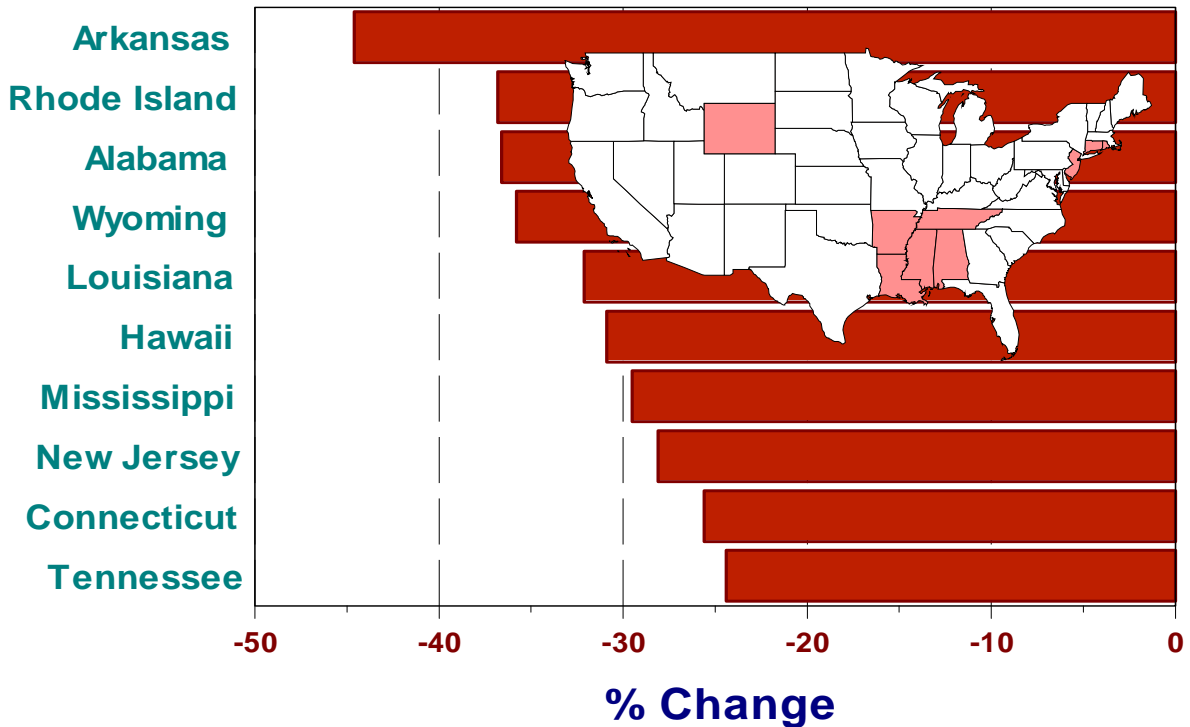
January-June Per Capita Milk Production: 2003 vs 1998

U.S. Average = +1.7%

Largest Per Capita Increases

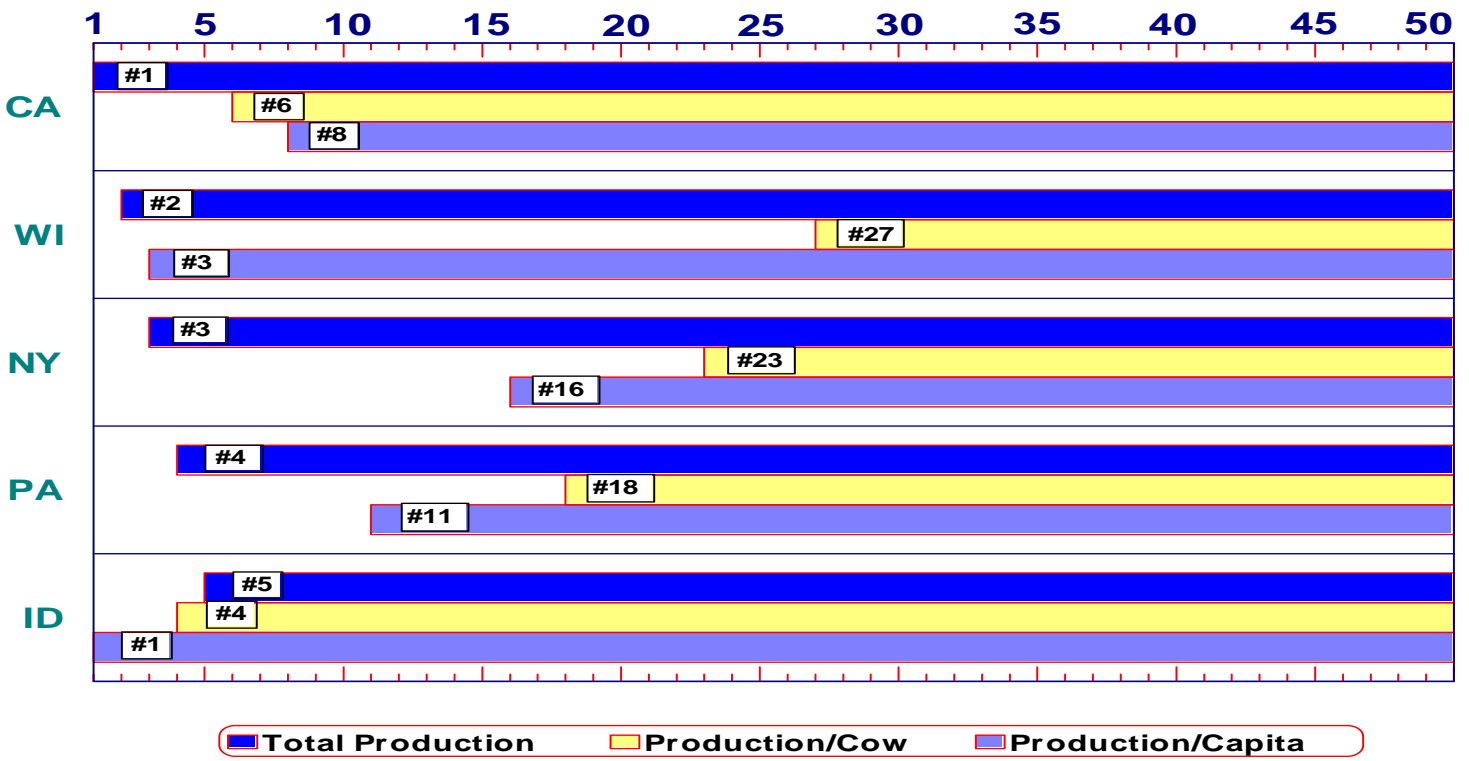


Largest Per Capita Decreases

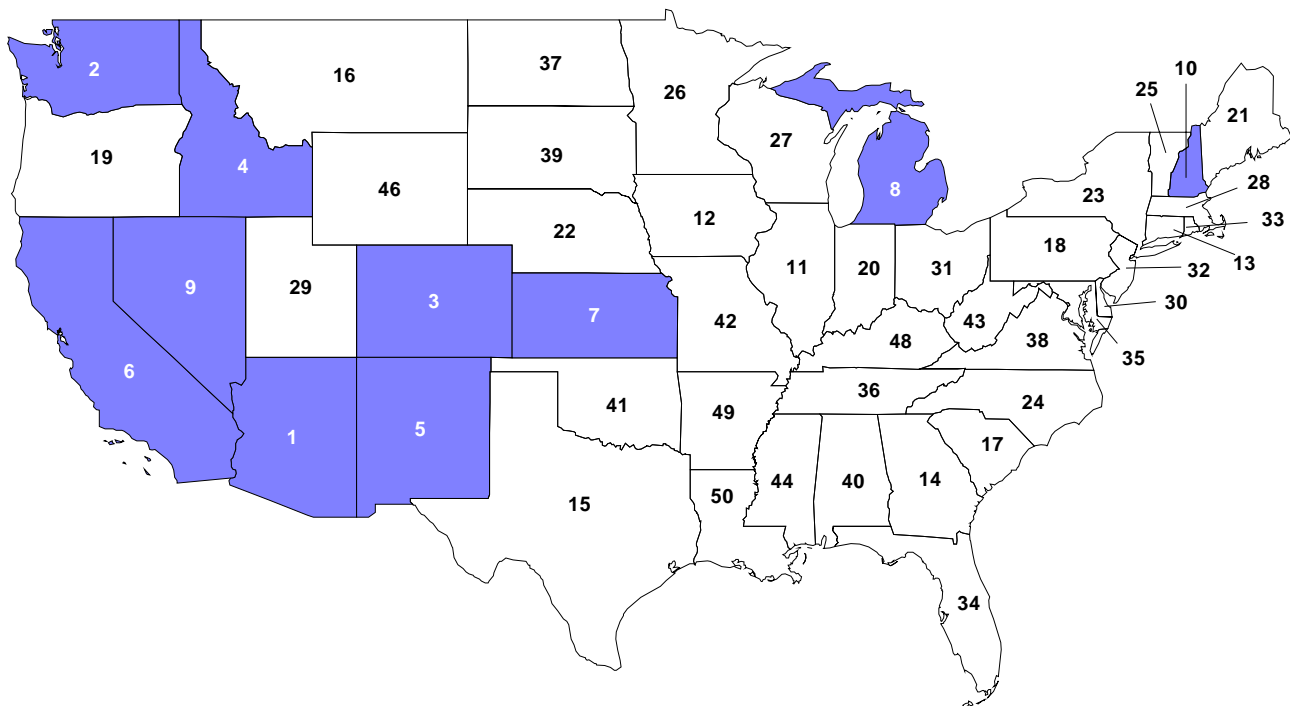


2003 January thru June Milk Production: Top Five States

State Rankings



2003 First Half Milk Production Per Cow Ranking Top Ten States Highlighted



Per Capita Milk Production

2003 versus 2002 & 1998 - By State

- January through June Data -

States	Per Capita Milk Production			Change In Per Capita Milk Production			
	2003	2002	1998	2003 vs 2002		2003 vs 1998	
				Pounds	Percent	Pounds	Percent
1 Idaho	3,194.3	2,984.8	2,279.7	209.5	7.0	914.6	40.1
2 Vermont	2,184.6	2,244.6	2,305.0	-60.0	-2.7	-120.4	-5.2
3 Wisconsin	2,060.2	2,057.5	2,188.8	2.7	0.1	-128.6	-5.9
4 New Mexico	1,807.0	1,696.4	1,241.8	110.6	6.5	565.2	45.5
5 South Dakota	939.5	956.6	952.4	-17.1	-1.8	-12.9	-1.4
6 Minnesota	850.6	877.1	1,004.8	-26.5	-3.0	-154.2	-15.3
7 Iowa	659.6	662.3	675.6	-2.7	-0.4	-16.0	-2.4
8 California	509.4	496.1	423.2	13.3	2.7	86.2	20.4
9 Washington	463.0	463.7	466.1	-0.7	-0.2	-3.1	-0.7
10 North Dakota	451.0	473.1	564.0	-22.1	-4.7	-113.0	-20.0
11 Pennsylvania	436.6	445.9	463.3	-9.3	-2.1	-26.7	-5.8
12 Kansas	395.8	366.4	258.6	29.4	8.0	137.2	53.1
13 Utah	351.0	351.4	356.7	-0.4	-0.1	-5.7	-1.6
14 Nebraska	341.2	345.3	313.9	-4.1	-1.2	27.3	8.7
15 Arizona	338.3	333.0	305.4	5.3	1.6	32.9	10.8
16 New York	306.2	323.7	324.8	-17.5	-5.4	-18.6	-5.7
17 Oregon	308.7	290.8	240.1	17.9	6.2	68.6	28.6
18 Michigan	304.4	295.7	272.2	8.7	2.9	32.2	11.8
19 Maine	244.1	258.8	271.6	-14.7	-5.7	-27.5	-10.1
20 Colorado	242.8	237.2	211.3	5.6	2.4	31.5	14.9
21 Indiana	214.3	217.1	189.3	-2.8	-1.3	25.0	13.2
22 Ohio	201.1	201.5	202.7	-0.4	-0.2	-1.6	-0.8
23 Oklahoma	191.8	189.5	190.6	2.3	1.2	1.2	0.6
24 Kentucky	190.8	212.3	229.1	-21.5	-10.1	-38.3	-16.7
25 Montana	185.8	185.8	165.8	0.0	0.0	20.0	12.1
26 Missouri	176.5	182.6	229.8	-6.1	-3.3	-53.3	-23.2
27 Texas	135.2	128.8	153.1	6.4	5.0	-17.9	-11.7
28 Virginia	126.1	136.0	140.5	-9.9	-7.3	-14.4	-10.2
29 New Hampshire	123.9	132.5	143.5	-8.6	-6.5	-19.6	-13.7
30 Maryland	120.6	123.9	135.5	-3.3	-2.7	-14.9	-11.0
31 Nevada	119.6	110.9	133.4	8.7	7.8	-13.8	-10.3
32 Tennessee	111.3	122.5	147.3	-11.2	-9.1	-36.0	-24.4
33 Delaware	98.5	102.8	118.9	-4.3	-4.2	-20.4	-17.2
34 Georgia	94.2	93.0	102.6	1.2	1.3	-8.4	-8.2
35 Illinois	84.7	85.0	91.7	-0.3	-0.4	-7.0	-7.6
36 Mississippi	83.6	94.7	118.5	-11.1	-11.7	-34.9	-29.5
37 Florida	73.4	76.9	86.2	-3.5	-4.6	-12.8	-14.8
38 Arkansas	72.3	80.4	130.4	-8.1	-10.1	-58.1	-44.6
39 North Carolina	66.2	72.1	87.1	-5.9	-8.2	-20.9	-24.0
40 Louisiana	65.1	73.6	95.9	-8.5	-11.5	-30.8	-32.1
41 West Virginia	63.3	69.9	77.9	-6.6	-9.4	-14.6	-18.7
42 Connecticut	61.8	67.3	83.1	-5.5	-8.2	-21.3	-25.6
43 Wyoming	53.3	65.8	83.0	-12.5	-19.0	-29.7	-35.8
44 South Carolina	44.1	48.9	53.4	-4.8	-9.8	-9.3	-17.4
45 Hawaii	38.9	40.3	56.3	-1.4	-3.5	-17.4	-30.9
46 Alabama	31.0	34.5	48.9	-3.5	-10.1	-17.9	-36.6
47 Massachusetts	27.5	28.8	36.0	-1.3	-4.5	-8.5	-23.6
48 Alaska	13.7	13.0	11.7	0.7	5.4	2.0	17.1
49 New Jersey	13.3	14.1	18.5	-0.8	-5.7	-5.2	-28.1
50 Rhode Island	10.8	11.1	17.1	-0.3	-2.7	-6.3	-36.8
U.S. Totals	301.0	299.7	295.9	1.3	0.4	5.1	1.7

Data Sources:

Milk production Data: [Milk Production](#), July 2003, National Agricultural Statistics Service, Agriculture Statistics Board, USDA.
 Population Data : U.S. Census Bureau, Department of Commerce. (July 1st population estimates for each year.)

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	6/2003	5/2003	6/2003	5/2003	6/2003	5/2003
Pacific Northwest	10.93	10.37	-0.85	0.62	41.91	25.87
Western	11.44	10.24	-0.34	0.49	52.59	14.33
Arizona-Las Vegas	11.53	10.47	-----	-----	34.00	27.61
Central	11.49	10.44	-0.29	0.69	49.23	25.38
Southwest	12.01	11.33	0.23	1.58	54.61	34.87
Upper Midwest	11.37	10.13	-0.41	0.38	49.67	15.65
Southeast	12.47	11.98	-----	-----	66.33	61.57
Mideast	11.68	10.63	-0.10	0.88	51.26	33.95
Appalachian	12.49	12.04	-----	-----	77.05	62.33
Northeast	12.46	11.66	0.68	1.91	41.93	41.30
Florida	13.46	13.02	-----	-----	86.67	77.25

(continued from page 2) . . .regions were Indiana and Michigan with increases of +13.2 and +11.8%, respectively.

The graphics on page 5 depict the states with the largest percentage increases and decreases comparing the first six months of 2003 with 1998. The graph on page 6 ranks the top five milk producing states in total milk production, production per cow, and production per capita during the first six months of 2003.

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