

B. FLUID MILK SALES & CONSUMPTION

Fluid Milk Sales and Consumption Overview

While total sales of fluid milk products in the United States have changed little during the past 20 years, the recent trend away from whole milk to lower-fat milks continued in 2007. Supermarket data provided by Information Resources, Inc., shows that the sale of reduced-, low- and fat-free white milk demonstrated a very modest growth in 2007, while the sale of whole white milk decreased by approximately 1% in 2007. However, low-fat flavored milk showed an increase of 14% in 2007 and accounts for almost 42% of all flavored milk sales through supermarkets.

According to USDA's Economic Research Service, total per capita consumption of all fluid milk products was 178 pounds in 2007, a decrease of approximately 1.8 % from 2006. Sales of U.S. fluid milk products fell 1.8% to approximately 21 gallons per capita.

Meanwhile, sales of cream and cultured dairy products, such as yogurt and cottage cheese, increased in 2007, continuing a general trend that began in the 1990s. Yogurt sales experienced strong demand, growing 5.4%, based on health benefits, new flavors and increased variety in packaged servings. Sour cream and dips sales increased by 4.6% and posted record high sales of 1.3 million pounds in 2007.