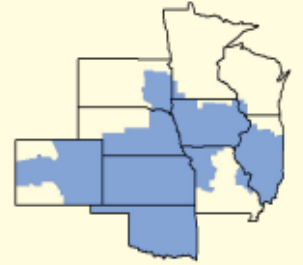


JUNE 2013

Marketing Service

Bulletin

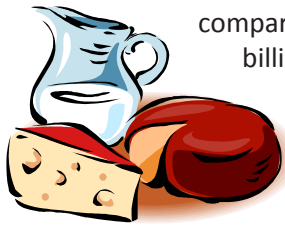
Facilitating the efficient marketing of milk and dairy products.



CENTRAL MARKETING AREA



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



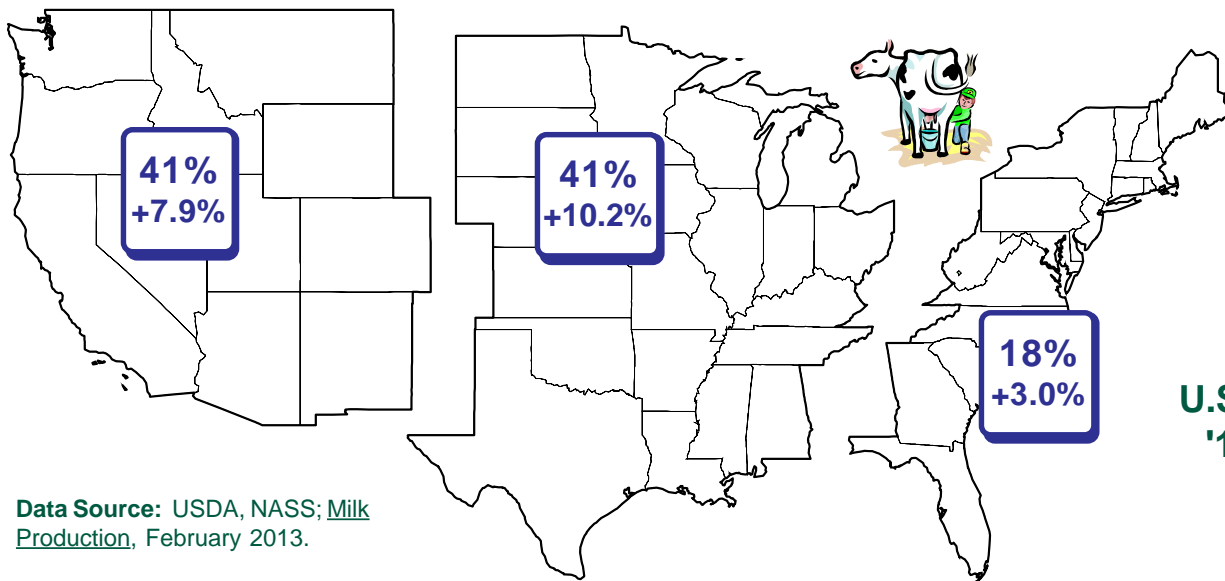
United States annual milk production surpassed 200 billion pounds for the first time in 2012, increasing by 2.12% compared with 2011. The 200.3 billion pounds produced in 2012 represents an increase of more than 4 billion pounds versus the previous all-time high of 196.2 billion pounds recorded in 2011. Milk production has exceeded prior year levels in 14 of the last 16 years, with 2009 and 2001 being the two exceptions. Since 1991, U.S. milk production has decreased from prior year levels only four times -- 1993, 1996, 2001, and 2009.

This bulletin addresses the question, "Where's The Milk ?", by examining milk production and dairy product manufacturing on a regional basis. The map graphics and data tables contained in this bulletin depict production of milk, cheese, butter, nonfat dry milk, and ice cream for the Atlantic, Central, and West regions, as specified by the National Agricultural Statistics Service (NASS). The top number shown in each region represents the region's proportion of total 2012 production for the specified product, while the bottom number represents the percentage change in production comparing 2012 with 2007.

Comparing 2012 with 2007, the **Central, West, and Atlantic Regions increased** milk production by 10.24%, 7.86%, and 3.03%, respectively. The **West Region** accounted for 41.46% of U.S. milk production in 2012, which was virtually identical to the proportion in 2007 (41.47%). The **Central Region** accounted for 40.61% of total U.S. production, **up** 0.86 percentage points compared with 2007 (39.75%). The **Atlantic Region** accounted for the smallest proportion of the 2012 total at 17.93%, and this proportion was **down** 0.85 percentage points compared with 2007 (18.78%). Milk production data for 2007 through 2012 is located on the back page of this bulletin.

Milk production in the United States in 2012 increased by 14.7 billion pounds compared with 2007. The additional milk required to meet increased cheese production during the same period was approximately 11.1 billion pounds.

Regional Milk Production as a Percentage of 2012 Total U.S. Milk Production with Percentage Change in Production: 2012 vs 2007

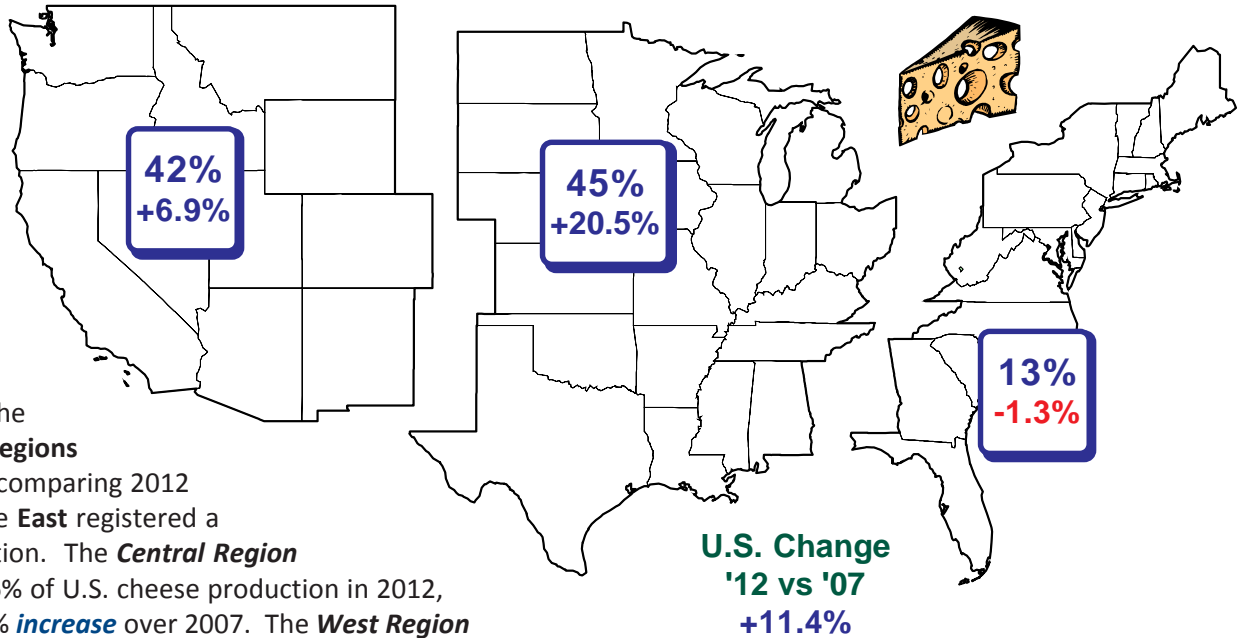


**U.S. Change
'12 vs '07
+7.9%**

Data Source: USDA, NASS; [Milk Production](#), February 2013.

Regional Cheese Production as a Percentage of 2012 Total U.S. Cheese Production with Percentage Change in Production: 2012 vs 2007

U.S. cheese production totaled 10.890 billion pounds during 2012. The 2012 total is an **increase** of 2.79% compared with 2011, and it is 11.39% **greater** than the amount produced in 2007.



As depicted by the map on this page, the **Central and West Regions** recorded **increases** comparing 2012 with 2007, while the **East** registered a **decrease** in production. The **Central Region** accounted for 45.16% of U.S. cheese production in 2012, and posted a 20.49% **increase** over 2007. The **West Region** accounted for 42.03% of the 2012 total, and posted a 6.90% **increase**. The **Atlantic Region** accounted for 12.81% of the U.S. total in 2012, and this region's cheese production **decreased** by 1.30% comparing 2012 with 2007.

Data Source: USDA, NASS; [Dairy Products 2012 Summary](#), April 2013.

Total U.S. Cheese Production By Region (thousand lbs.)

	Atlantic	Central	West	Total
2007	1,413,604	4,081,402	4,281,779	9,776,785
2008	1,351,426	4,342,613	4,218,789	9,912,828
2009	1,346,472	4,550,155	4,177,572	10,074,199
2010	1,368,359	4,621,272	4,453,766	10,443,397
2011	1,366,616	4,700,553	4,527,837	10,595,006
2012	1,395,243	4,917,810	4,577,091	10,890,144

The Atlantic Region's share of total U.S. cheese production has decreased in twelve of the last thirteen years, while the Central Region's share has increased in four of the last five years.

As a Percent of Total Production

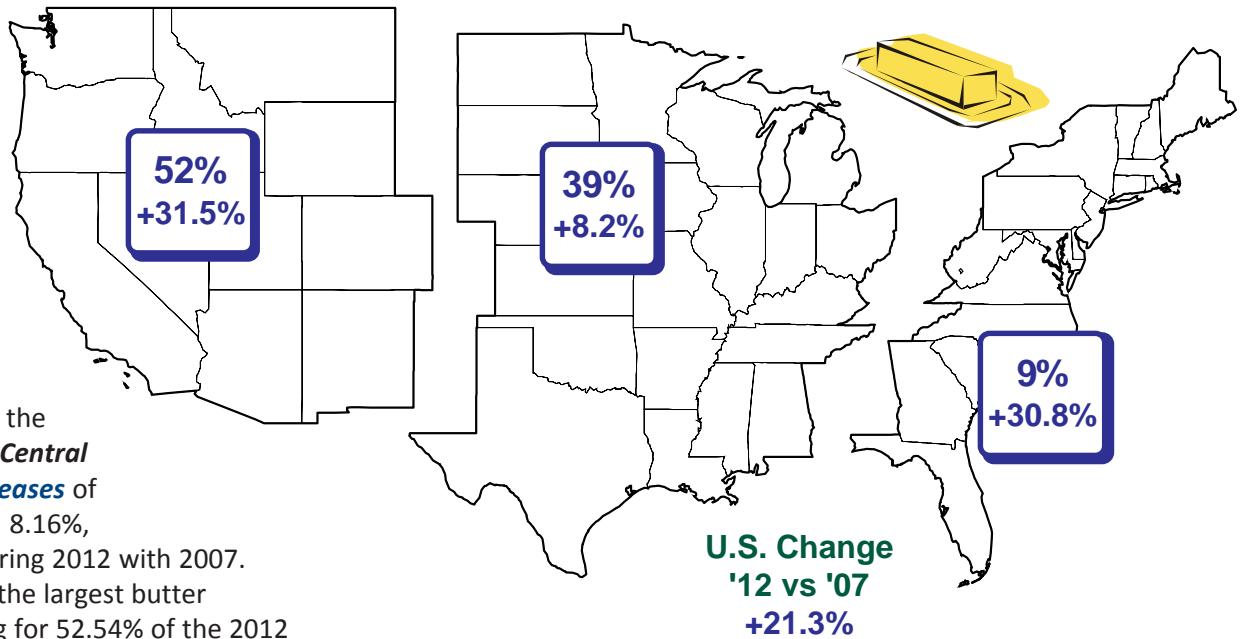
	Atlantic	Central	West
2007	14.46	41.75	43.80
2008	13.63	43.81	42.56
2009	13.37	45.17	41.47
2010	13.10	44.25	42.65
2011	12.90	44.37	42.74
2012	12.81	45.16	42.03



Regional Butter Production as a Percentage of 2012 Total U.S. Butter Production with Percentage Change in Production: 2012 vs 2007

U.S. butter production **increased** by 21.32% comparing 2012 with 2007. Butter production totaled 1.860 billion pounds during 2012 -- **up** 2.75% from 2011.

As depicted by the accompanying map, the **West, Atlantic, and Central Regions** posted **increases** of 31.47%, 30.79% and 8.16%, respectively, comparing 2012 with 2007. The **West Region** is the largest butter producer accounting for 52.54% of the 2012 U.S. total, followed by the **Central** with 38.58%. The **Atlantic Region** accounted for only 8.88% of the U.S. total.



Data Source: USDA, NASS; [Dairy Products 2012 Summary](#), April 2013.

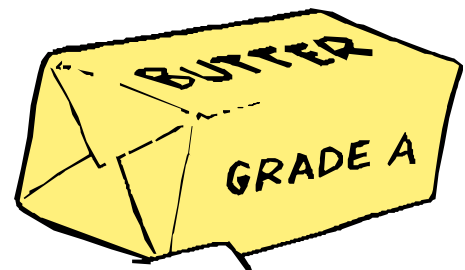
Total U.S. Butter Production By Region (thousand lbs.)

	Atlantic	Central	West	Total
2007	126,243	663,357	743,117	1,532,717
2008	132,140	686,399	825,537	1,644,076
2009	143,190	651,506	777,792	1,572,488
2010	147,132	573,398	843,442	1,563,972
2011	162,305	702,652	944,794	1,809,751
2012	165,114	717,476	976,964	1,859,554

The Central Region's share of U.S. butter production declined from 44.55% in 2006 to 38.58% in 2012, while the West Region increased its proportion from 46.36% to 52.54% during the same time frame.

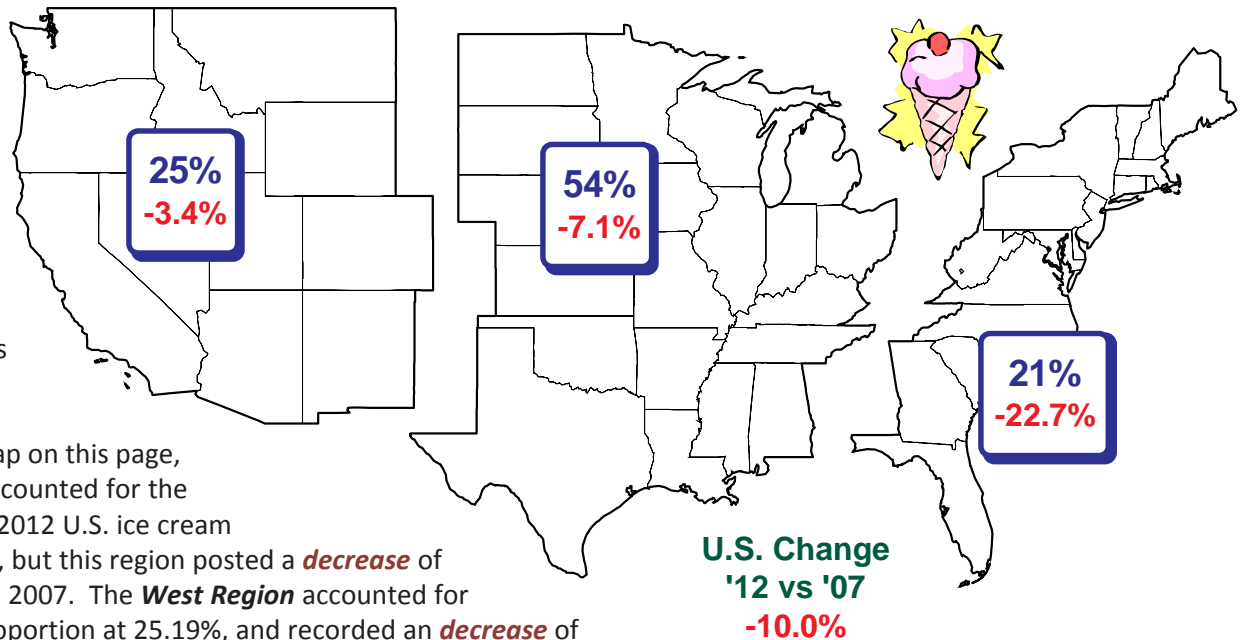
As a Percent of Total Production

	Atlantic	Central	West
2007	8.24	43.28	48.48
2008	8.04	41.75	50.21
2009	9.11	41.43	49.46
2010	9.41	36.66	53.93
2011	8.97	38.83	52.21
2012	8.88	38.58	52.54



Regional Ice Cream Production* as a Percentage of 2012 Total U.S. Ice Cream Production with Percentage Change in Production: 2012 vs 2007

U.S. ice cream production* **decreased** by 10.00% comparing 2012's total with the 0.891 billion gallons produced in 2007. Ice cream production totaled 0.802 billion gallons during 2012, **up** 0.25% from the previous year. The 2012 increase in ice cream production was the first since 2005.



As depicted by the map on this page, the **Central Region** accounted for the largest proportion of 2012 U.S. ice cream production at 54.07%, but this region posted a **decrease** of 7.11% compared with 2007. The **West Region** accounted for the second largest proportion at 25.19%, and recorded an **decrease** of 3.35% comparing 2012 with 2007. The **Atlantic Region** posted the largest percentage **decrease**, with production **declining** 22.73% between 2007 and 2012. This region accounted for the smallest proportion with 20.74% of the 2012 U.S. total.

Data Source: USDA, NASS; Dairy Products 2012 Summary, April 2013.

U.S. regular (hard) ice cream production has declined in eight of the last ten years. The Central Region has accounted for over 50% of total U.S. ice cream production each year since 2006.

Total U.S. Ice Cream Production* By Region (thousand gallons)

	Atlantic	Central	West	Total
2007	215,259	466,725	208,985	890,969
2008	206,814	459,050	210,515	876,379
2009	191,682	440,952	224,106	856,740
2010	179,302	430,759	208,731	818,792
2011	171,520	416,014	212,324	799,858
2012	166,335	433,550	201,980	801,865

As a Percent of Total Production

	Atlantic	Central	West
2007	24.16	52.38	23.46
2008	23.60	52.38	24.02
2009	22.37	51.47	26.16
2010	21.90	52.61	25.49
2011	21.44	52.01	26.55
2012	20.74	54.07	25.19

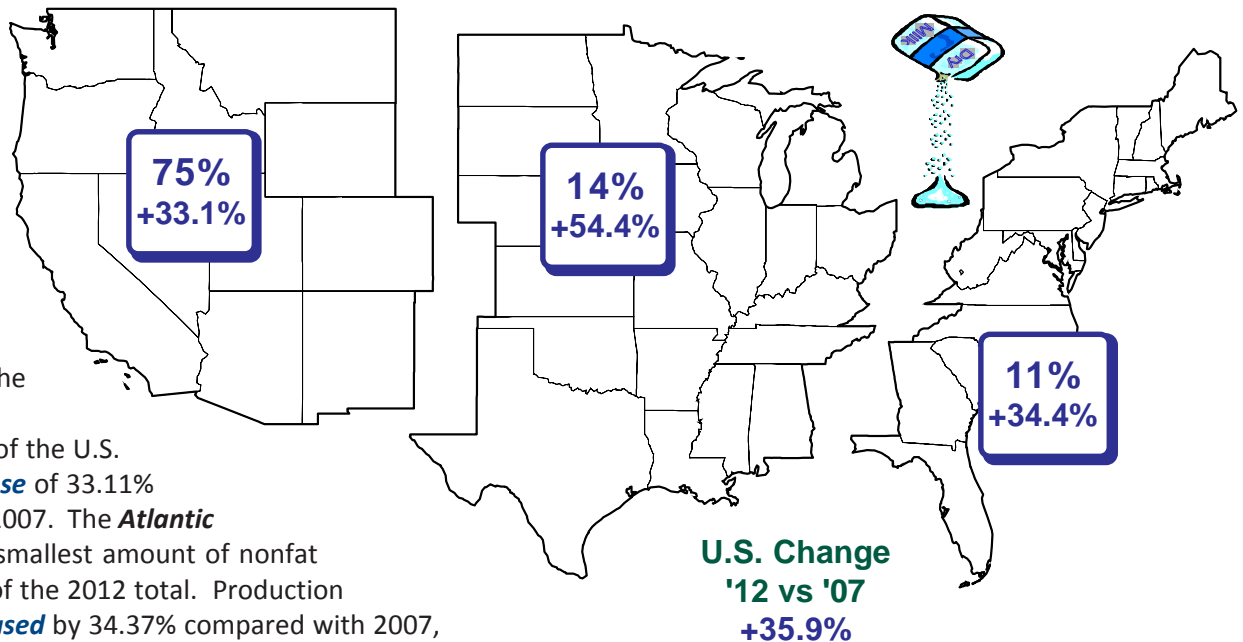


* Regular (hard) ice cream production.

Regional NFDM Production as a Percentage of 2012 Total U.S. NFDM Production with Percentage Change in Production: 2012 vs 2007

U.S. nonfat dry milk (NFDM) production **increased** by 35.89%, comparing 2012 with 2007. Production totaled 1.764 billion pounds in 2012, which was a **increase** of 17.67% compared with 2011.

The **West Region**, which accounted for the largest proportion of production at 75.19% of the U.S. total, posted an **increase** of 33.11% comparing 2012 with 2007. The **Atlantic Region** produced the smallest amount of nonfat dry milk with 10.76% of the 2012 total. Production from this region **increased** by 34.37% compared with 2007, and was **up** 18.40% from 2011. The **Central Region** accounted for 14.05% of the U.S. total in 2012, and production from the region **increased** by 54.45% compared with 2007, and was 55.22% **above** the 2011 total.



Data Source: USDA, NASS; [Dairy Products 2012 Summary](#), April 2013.

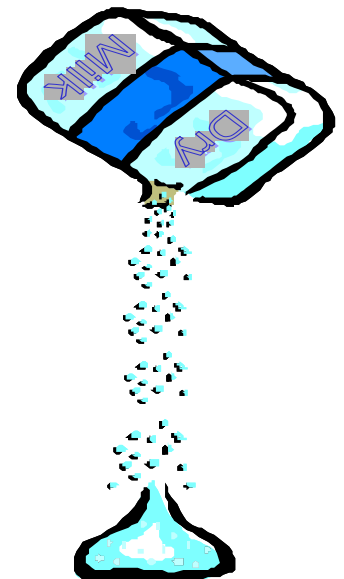
The West Region has accounted for 75.66% of U.S. NFDM production since the beginning of 2000. In the five years preceding 2000, the West Region accounted for 63.70% of the U.S. total.

Total U.S. Nonfat Dry Milk Production By Region (thousand lbs.)

	Atlantic	Central	West	Total
2007	141,266	160,544	996,670	1,298,480
2008	229,620	190,615	1,098,938	1,519,173
2009	212,717	161,972	1,136,833	1,511,522
2010	199,874	137,118	1,225,526	1,562,518
2011	160,324	159,744	1,179,409	1,499,477
2012	189,824	247,959	1,326,666	1,764,449

As a Percent of Total Production

	Atlantic	Central	West
2007	10.88	12.36	76.76
2008	15.11	12.55	72.34
2009	14.07	10.72	75.21
2010	12.79	8.78	78.43
2011	10.69	10.65	78.65
2012	10.76	14.05	75.19



	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May '13	Apr '13	May '13	Apr '13	May '13	Apr '13
Northeast	19.78	19.50	1.26	1.91	35.62	36.51
Appalachian	20.46	20.42	-----	-----	63.64	63.48
Florida	22.47	22.50	-----	-----	83.78	84.01
Southeast	20.89	20.80	-----	-----	64.25	65.19
Upper Midwest	18.63	17.84	0.11	0.25	10.97	10.83
Central	18.65	18.17	0.13	0.58	32.35	30.21
Mideast	18.89	18.49	0.37	0.90	34.38	37.98
Pacific Northwest	18.79	18.16	0.27	0.57	24.69	24.17
Southwest	19.54	19.04	1.02	1.45	34.07	31.49
Arizona	19.11	18.61	-----	-----	26.97	27.96

Total U.S. Milk Production By Region							
	----- Million Lbs. -----				----- % of Total -----		
	Atlantic	Central	West	Total	Atlantic	Central	West
2007	34,857	73,799	76,998	185,654	18.78	39.75	41.47
2008	34,967	75,589	79,426	189,982	18.41	39.79	41.81
2009	34,802	77,433	77,099	189,334	18.38	40.90	40.72
2010	35,258	78,361	79,229	192,848	18.28	40.63	41.08
2011	35,381	78,859	81,924	196,164	18.04	40.20	41.76
2012	35,914	81,358	83,051	200,324	17.93	40.61	41.46

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410. Or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.



FIRST CLASS
U.S. POSTAGE
PAID
SHAWNEE MISSION, KS
PERMIT NO. 377

FEDERAL MILK MARKET ADMINISTRATOR
P.O. BOX 14650
SHAWNEE MISSION, KANSAS 66285-4650

FIRST CLASS

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