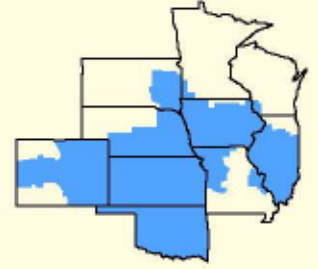


MAY 2015

Marketing Service

Bulletin

Facilitating the efficient marketing of milk and dairy products.



CENTRAL MARKETING AREA



Where's The Milk ???

Milk production in the United States surpassed 206 billion pounds in 2014, increasing by 2.4% compared with 2013. The 206.0 billion pounds produced in 2014 represents an increase of approximately 4.8 billion pounds over the previous all-time high of 201.2 billion pounds recorded in 2013. Milk production has exceeded prior year levels in 16 of the last 18 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.



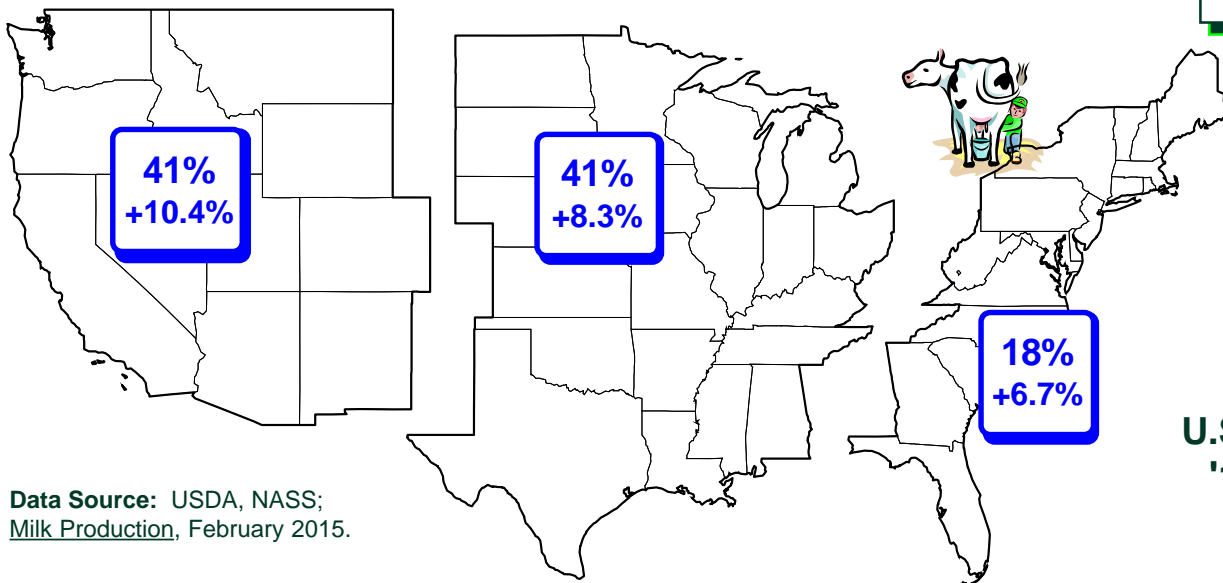
This bulletin addresses the question, "Where's The Milk ?", by examining milk production and dairy product manufacturing on a regional basis. The map graphics and data tables contained in this bulletin depict production of milk, cheese, butter, yogurt, ice cream, dry whey, and nonfat dry milk for the 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 2014 production for the specified product, while the bottom number represents the percentage change in production comparing 2014 with 2009.

Comparing 2014 with 2009, the **West**, **Central**, and **Atlantic Regions increased** milk production by 10.35%, 8.25%, and 6.72%, respectively. The **West Region** accounted for 41.29% of U.S. milk production in 2014, which was **up** by more than one-half of one percentage point compared with the proportion in 2009 (40.72%). The **Central Region** accounted for 40.68% of total U.S. production, **down** 0.22 percentage points compared with 2009 (40.90%). The **Atlantic Region** accounted for the smallest proportion of the 2014 total at 18.03%, and this proportion was **down** by a little more than one-third of one percentage point compared with 2009 (18.38%). Milk production data for 2009 through 2014 is located on the back page of this bulletin.

Milk production in the United States in 2014 increased by 16.7 billion pounds compared with 2009. The additional milk required to meet increased cheese production during the same period was approximately 13.8 billion pounds.

Regional Milk Production as a Percentage of 2014 Total U.S. Milk Production with Percentage Change in Production: 2014 vs 2009

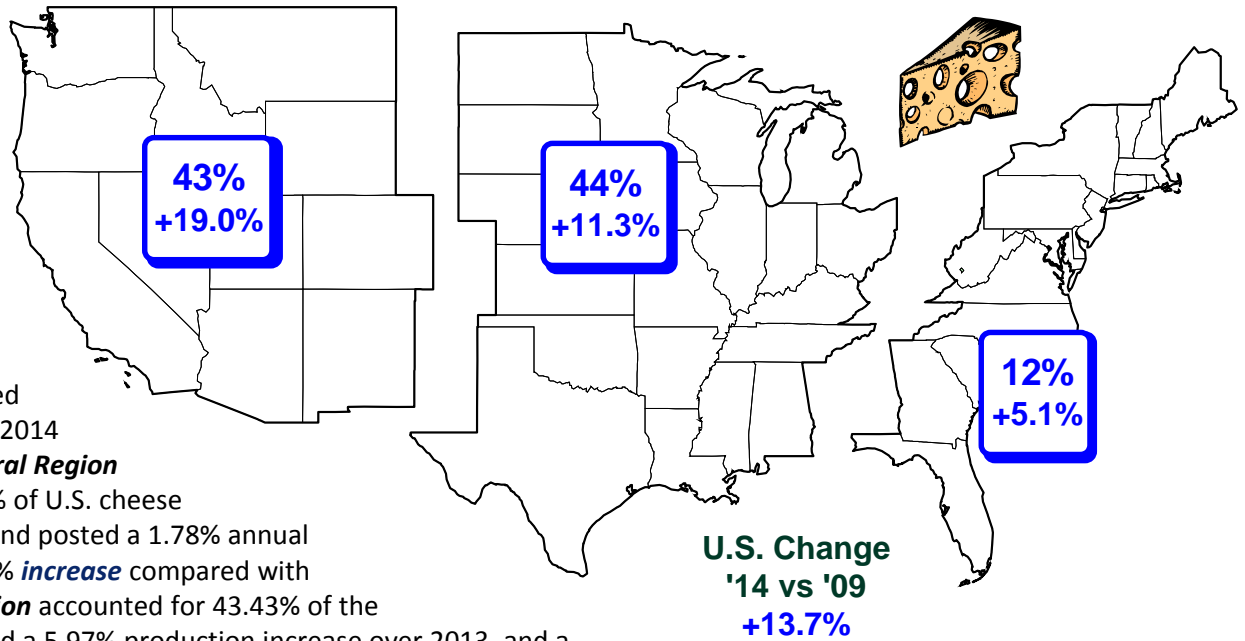


Data Source: USDA, NASS; Milk Production, February 2015.

U.S. Change '14 vs '09 +8.8%

U.S. cheese production totaled 11.450 billion pounds during 2014. The 2014 total is an **increase** of 3.95% compared with 2013, and it is 13.66% **greater** than the amount produced in 2009.

Regional Cheese Production as a Percentage of 2014 Total U.S. Cheese Production with Percentage Change in Production: 2014 vs 2009



As depicted by the map on this page, all three regions recorded **increases** comparing 2014 with 2009. The **Central Region** accounted for 44.21% of U.S. cheese production in 2014, and posted a 1.78% annual **increase** and a 11.26% **increase** compared with 2009. The **West Region** accounted for 43.43% of the 2014 total, and posted a 5.97% production increase over 2013, and a 19.04% **increase** compared with 2009. The **Atlantic Region** accounted for 12.36% of the U.S. total in 2014, and this region's cheese production **decreased** by 1.41% versus the previous year, but **increased** 5.08% comparing 2014 with 2009.

Data Source: USDA, NASS; Dairy Products 2014 Summary, April 2015.

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

	Atlantic	Central	West	Total
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	1,391,196	4,917,954	4,577,091	10,886,241
2013	1,435,078	4,973,639	4,692,952	11,101,669
2014	1,414,815	5,062,353	4,972,949	11,450,117

The West Region has increased its share of total U.S. cheese production in four of the last five years, while the Atlantic Region's share has decreased in thirteen of the past fifteen years. The Central Region has accounted for the largest proportion of cheese production each year since 2008.

As a Percent of Total Production

	Atlantic	Central	West
2009	13.37	45.17	41.47
2010	13.10	44.25	42.65
2011	12.90	44.37	42.74
2012	12.78	45.18	42.04
2013	12.93	44.80	42.27
2014	12.36	44.21	43.43

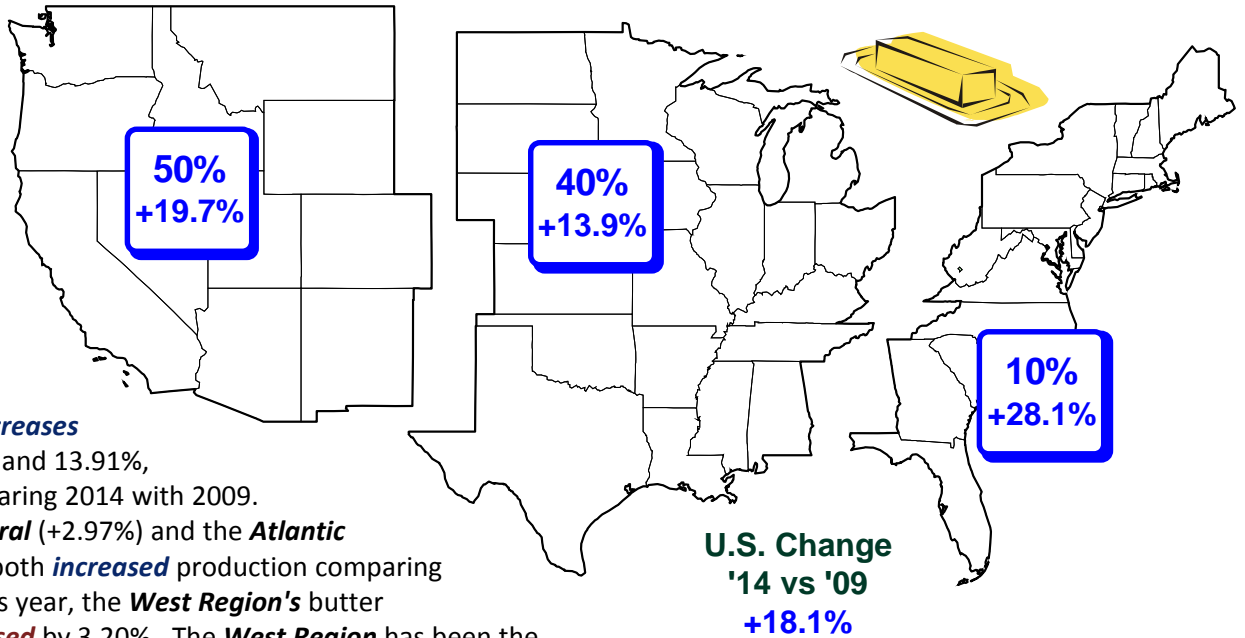


U.S. butter production **increased** by 18.05% comparing 2014 with 2009.

Butter production totaled 1.856 billion pounds during 2014 -- **down** 0.33% from 2013.

As depicted by the accompanying map, the **Atlantic, West, and Central Regions** posted **increases** of 28.06%, 19.67% and 13.91%, respectively, comparing 2014 with 2009. While the **Central** (+2.97%) and the **Atlantic** (+1.76%) **Regions** both **increased** production comparing 2014 with previous year, the **West Region's** butter production **decreased** by 3.20%. The **West Region** has been the nation's leading butter producer since 2006, and accounted for 50.14% of the 2014 total. The **Central Region** came in second with 39.98%, while the **Atlantic Region** accounted for 9.88% of the 2014 total.

Regional Butter Production as a Percentage of 2014 Total U.S. Butter Production with Percentage Change in Production: 2014 vs 2009



Data Source: USDA, NASS; [Dairy Products 2014 Summary](#), April 2015.

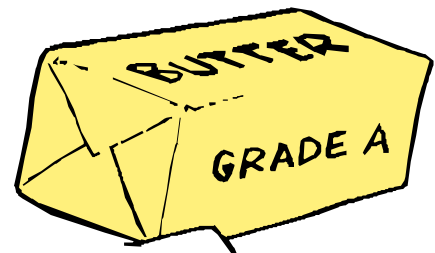
Total U.S. Butter Production By Region (thousand lbs.)

	Atlantic	Central	West	Total
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	165,097	717,476	976,964	1,859,537
2013	180,197	720,712	961,607	1,862,516
2014	183,374	742,145	930,811	1,856,330

The Central Region's share of U.S. butter production has declined from 47.89% in 2002 to 39.98% in 2014. The West Region increased its proportion from 41.09% to 50.14% during the same time frame, while total U.S. butter production increased by 36.98%

As a Percent of Total Production

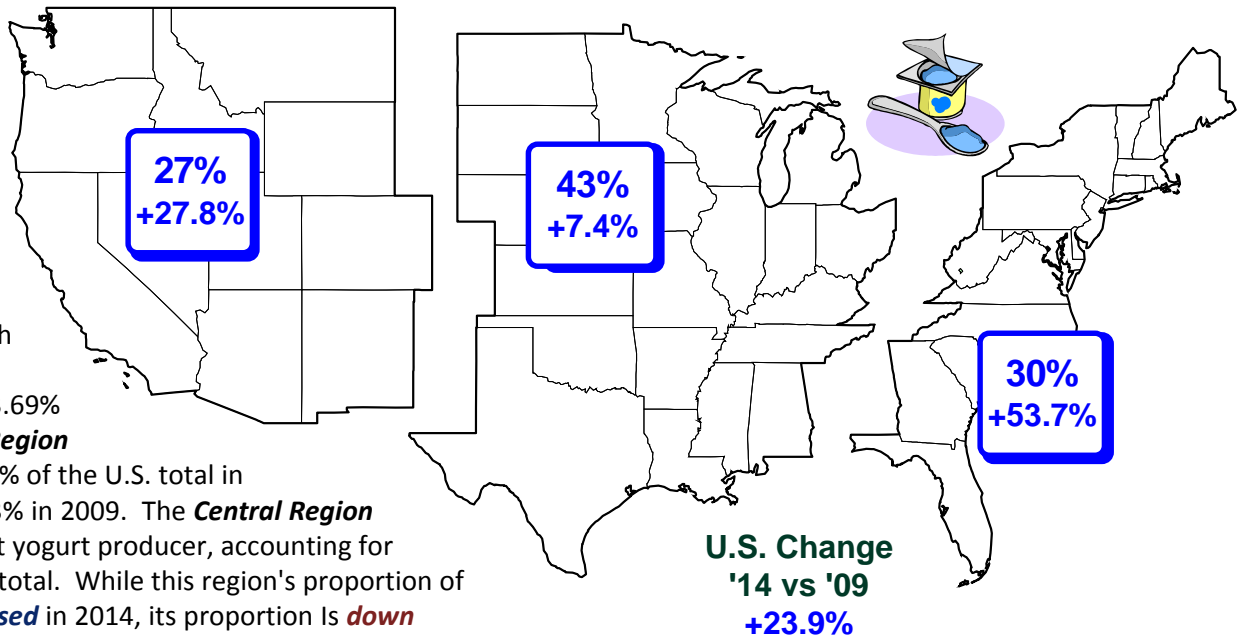
	Atlantic	Central	West
2009	9.11	41.43	49.46
2010	9.41	36.66	53.93
2011	8.97	38.83	52.21
2012	8.88	38.58	52.54
2013	9.67	38.70	51.63
2014	9.88	39.98	50.14



Regional Yogurt Production as a Percentage of 2014 Total U.S. Yogurt Production with Percentage Change in Production: 2014 vs 2009

U.S. yogurt production **increased** by 23.91% comparing 2014 with 2009. Yogurt production totaled 4.757 billion pounds during 2014 -- **up** 0.88% from 2013.

All three regions **increased** yogurt production comparing 2014 with 2009, led by the **Atlantic Region's** 53.69% gain. The **Atlantic Region** accounted for 30.18% of the U.S. total in 2014, **up** from 24.33% in 2009. The **Central Region** is the nation's largest yogurt producer, accounting for 43.29% of the 2014 total. While this region's proportion of the U.S. total **increased** in 2014, its proportion is **down** substantially compared with a few years earlier -- in 2007 the Central Region region produced 52.47% of the U.S. total. The **West Region** **increased** yogurt production by 27.78% comparing 2014 with 2009, and the 2014 total was **up** 8.39% versus 2013. This region accounted for 26.54% of total U.S. yogurt production in 2014.



Data Source: USDA, NASS; Dairy Products 2014 Summary, April 2015.

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

	Atlantic	Central	West	Total
2009	933,959	1,916,820	987,814	3,838,593
2010	1,057,788	1,992,349	1,130,551	4,180,688
2011	1,297,576	1,913,920	1,059,899	4,271,395
2012	1,520,300	1,900,467	996,219	4,416,986
2013	1,587,097	1,963,530	1,164,449	4,715,076
2014	1,435,442	2,058,903	1,262,200	4,756,545

The Atlantic Region's share of U.S. yogurt production increased from 23.54% in 2007 to 33.66% in 2013, before declining to 30.18% in 2014. The Central Region's proportion decreased from 52.47% to 41.64% between 2007 and 2013, before rebounding to 43.29% in 2014. The West Region's share increased to 26.54% in 2014, which was the third year-over-year gain in the last five years.

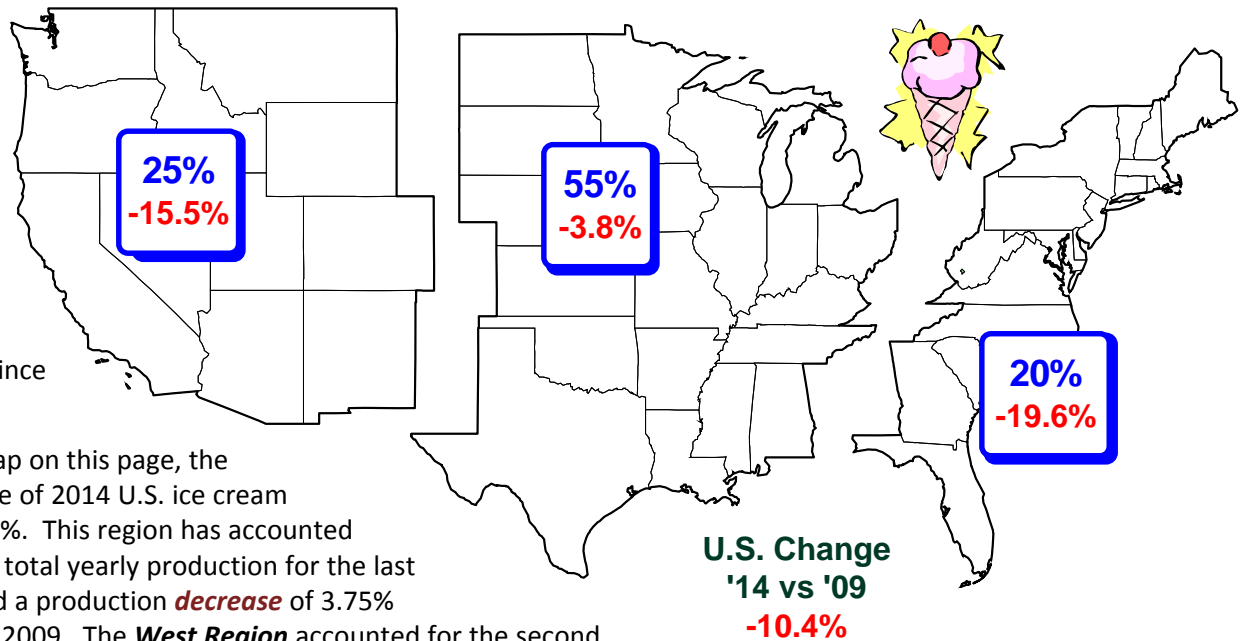
As a Percent of Total Production

	Atlantic	Central	West
2009	24.33	49.94	25.73
2010	25.30	47.66	27.04
2011	30.38	44.81	24.81
2012	34.42	43.03	22.55
2013	33.66	41.64	24.70
2014	30.18	43.29	26.54



U.S. ice cream production* **decreased** by 10.38% comparing 2014's total with the 0.857 billion gallons produced in 2009. Ice cream production totaled 0.768 billion gallons during 2014, **down** 2.97% from the previous year. Yearly ice cream production has increased only once since 2005.

Regional Ice Cream Production* as a Percentage of 2014 Total U.S. Ice Cream Production with Percentage Change in Production: 2014 vs 2009



As depicted by the map on this page, the **Central Region's** share of 2014 U.S. ice cream production was 55.27%. This region has accounted for more than 50% of total yearly production for the last nine years, but posted a production **decrease** of 3.75% comparing 2014 with 2009. The **West Region** accounted for the second largest proportion of the U.S. total at 24.66%, and registered an **decrease** of 15.51% comparing 2014 with 2009. The **Atlantic Region** posted the largest percentage **decrease**, with production **declining** 19.60% between 2009 and 2014. This region accounted for the smallest production share with 20.07% of the 2014 U.S. total.

Data Source: USDA, NASS; Dairy Products 2014 Summary, April 2015.

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

	Atlantic	Central	West	Total
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	166,218	432,054	201,980	800,252
2013	159,179	441,468	190,715	791,362
2014	154,114	424,396	189,337	767,847

U.S. regular (hard) ice cream production has declined in ten of the last twelve years. The Central Region's share of the 2014 total was 55.27%, and this region has accounted for more than 50% of total U.S. ice cream production each year since 2006. The Atlantic Region's proportion of total production has decreased for twelve consecutive years.

As a Percent of Total Production

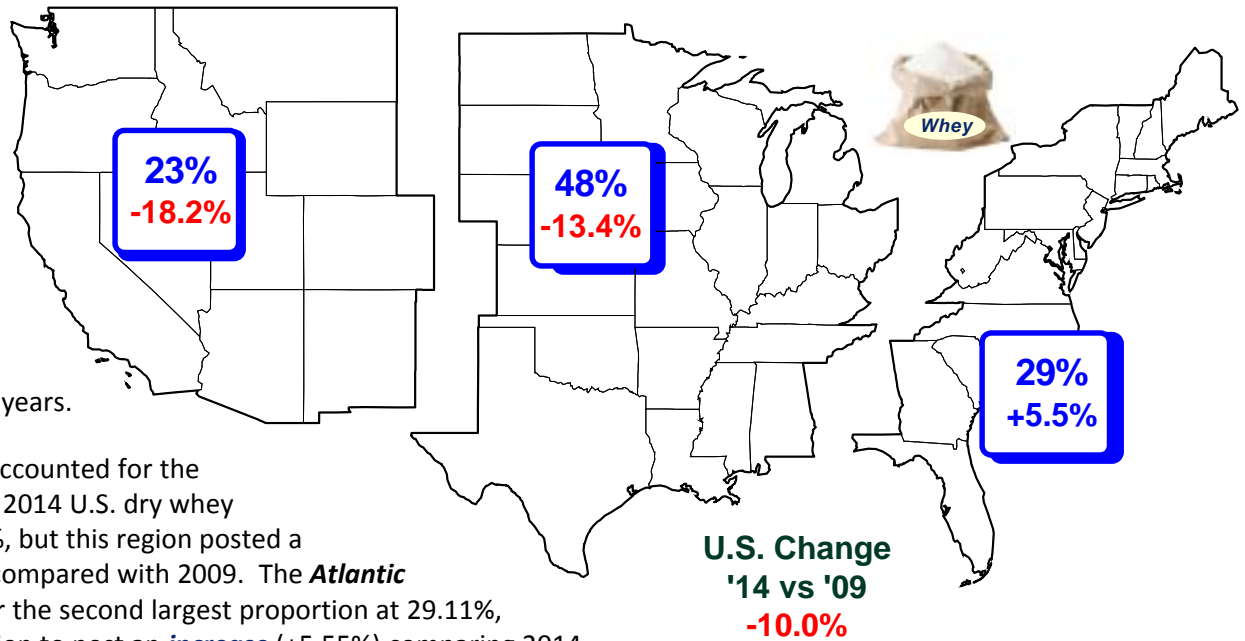
	Atlantic	Central	West
2009	22.37	51.47	26.16
2010	21.90	52.61	25.49
2011	21.44	52.01	26.55
2012	20.77	53.99	25.24
2013	20.11	55.79	24.10
2014	20.07	55.27	24.66



* Regular (hard) ice cream production.

U.S. dry whey production* **decreased** by 9.96% comparing 2014's total with the 0.951 billion pounds produced in 2009. Dry whey production totaled 0.856 billion pounds during 2014, **down** 6.56% from 2013. The 2014 **decrease** was the fifth production decline in the last six years.

Regional Dry Whey Production* as a Percentage of 2014 Total U.S. Dry Whey Production with Percentage Change in Production: 2014 vs 2009



The **Central Region** accounted for the largest proportion of 2014 U.S. dry whey production at 47.55%, but this region posted a **decrease** of 13.44% compared with 2009. The **Atlantic Region** accounted for the second largest proportion at 29.11%, and was the only region to post an **increase** (+5.55%) comparing 2014 with 2009. The **West Region** posted the largest percentage **decrease**, with production declining 18.24% between 2009 and 2014. This region accounted for 23.34% of 2014 U.S. dry whey production, the smallest proportion among the three regions.

Data Source: USDA, NASS; Dairy Products 2014 Summary, April 2015.

Total U.S. Dry Whey Production * By Region (thousand lbs.)

	Atlantic	Central	West	Total
2009	236,115	470,191	244,348	950,654
2010	232,909	472,895	254,876	960,680
2011	233,529	461,477	255,857	950,863
2012	252,480	458,604	234,927	946,011
2013	247,362	445,860	222,845	916,067
2014	249,216	407,016	199,771	856,003

U.S. dry whey (human) production has declined in five of the last six years. Central Region production has also decreased in five of the past six years, while production from the West Region has declined in four of the last six. In contrast, the Atlantic Region has posted production increases in four of the last six years.

As a Percent of Total Production

	Atlantic	Central	West
2009	24.84	49.46	25.70
2010	24.24	49.23	26.53
2011	24.56	48.53	26.91
2012	26.69	48.48	24.83
2013	27.00	48.67	24.33
2014	29.11	47.55	23.34

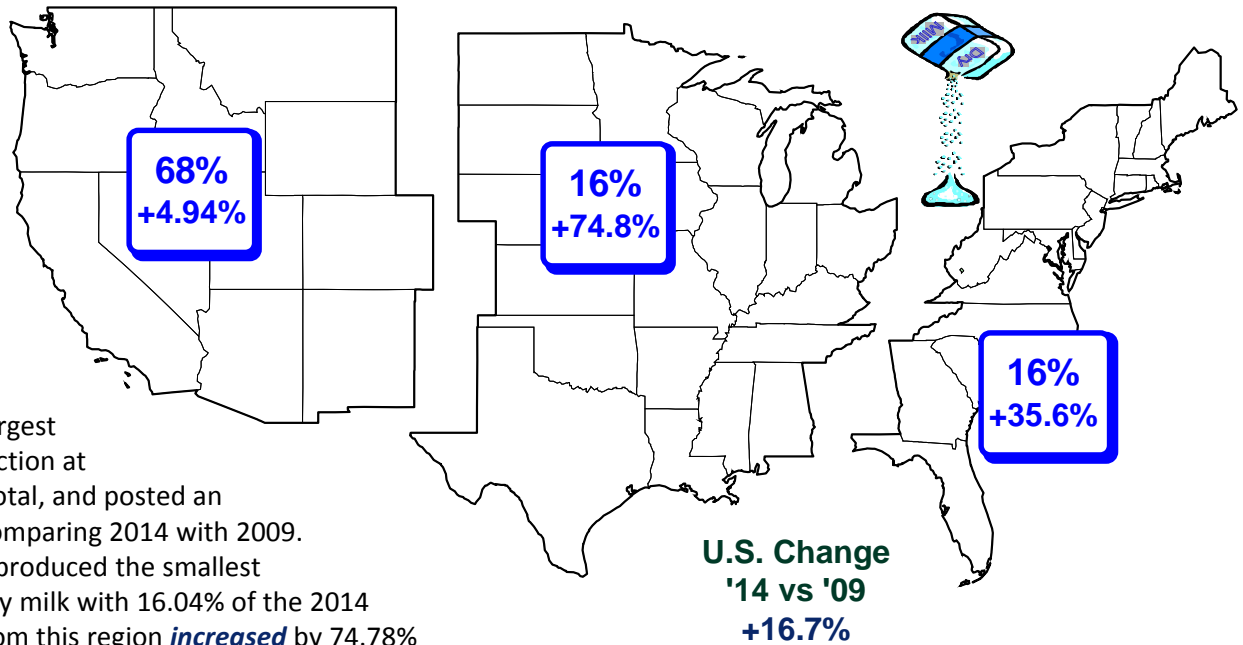


* Dry Whey (human) production.

Regional NFDM Production as a Percentage of 2014 Total U.S. NFDM Production with Percentage Change in Production: 2014 vs 2009

U.S. nonfat dry milk (NFDM) production *increased* by 16.74%, comparing 2014 with 2009. Production totaled 1.765 billion pounds in 2014, which was a *increase* of 19.40% compared with 2013 .

The **West Region** accounted for the largest proportion of production at 67.61% of the U.S. total, and posted an *increase* of 4.94% comparing 2014 with 2009. The **Central Region** produced the smallest amount of nonfat dry milk with 16.04% of the 2014 total. Production from this region *increased* by 74.78% compared with 2009, however, and was *up* 10.41% from 2013. The **Atlantic Region** accounted for 16.35% of the U.S. total in 2014, with NFDM production *increasing* by 35.62% compared with 2009, and 31.68% versus the 2013 total.



Data Source: USDA, NASS; [Dairy Products 2014 Summary](#), April 2015.

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

	Atlantic	Central	West	Total
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
2013	219,074	256,397	1,002,393	1,477,864
2014	288,479	283,087	1,192,944	1,764,510

As a Percent of Total Production

	Atlantic	Central	West
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
2013	14.82	17.35	67.83
2014	16.35	16.04	67.61



The West Region has accounted for 74.50% of total U.S. NFDM production since 2000 -- in the five years preceding 2000, the West accounted for 63.70% of the U.S. total. However, the West Region's share of the U.S. total in 2014 was the smallest since 1998 (65.19%). The Atlantic Region's proportion of the U.S. total has increased by 5.66 percentage points (+52.95%) since 2011, while the Central's proportion has increased by 7.26 percentage points (+82.69%) since 2010.



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**Total U.S. Milk Production
By Region**

	----- Million Lbs. -----				----- % of Total -----		
	Atlantic	Central	West	Total	Atlantic	Central	West
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	35,894	81,511	83,132	200,537	17.90	40.65	41.45
2013	36,353	82,237	82,640	201,230	18.06	40.87	41.07
2014	37,142	83,822	85,082	206,046	18.03	40.68	41.29

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**Statistical
Uniform Price**

**Producer Price
Differential**

**Class I
Utilization**

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr '15	Mar '15	Apr '15	Mar '15	Apr '15	Mar '15
Northeast	16.51	16.40	0.70	0.84	32.80	34.35
Appalachian	17.64	17.63	----	----	65.23	65.41
Florida	19.98	19.93	----	----	83.27	82.67
Southeast	18.33	18.30	----	----	70.73	70.91
Upper Midwest	15.84	15.63	0.03	0.07	12.77	11.33
Central	15.62	15.49	-0.19	-0.07	36.15	31.71
Mideast	15.70	15.53	-0.11	-0.03	34.26	33.90
Pacific Northwest	14.86	15.00	-0.95	-0.56	34.68	32.80
Southwest	16.47	16.32	0.66	0.76	53.96	42.39
Arizona	15.25	15.33	----	----	25.91	26.14