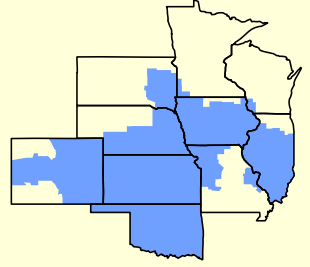


JUNE 2016

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 208 billion pounds in 2015, increasing by 1.3% compared with 2014. The 208.6 billion pounds produced in 2015 represents an increase of approximately 2.6 billion pounds over the previous all-time high of 206.1 billion pounds recorded in 2014. Milk production has exceeded prior year levels in 17 of the last 19 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.

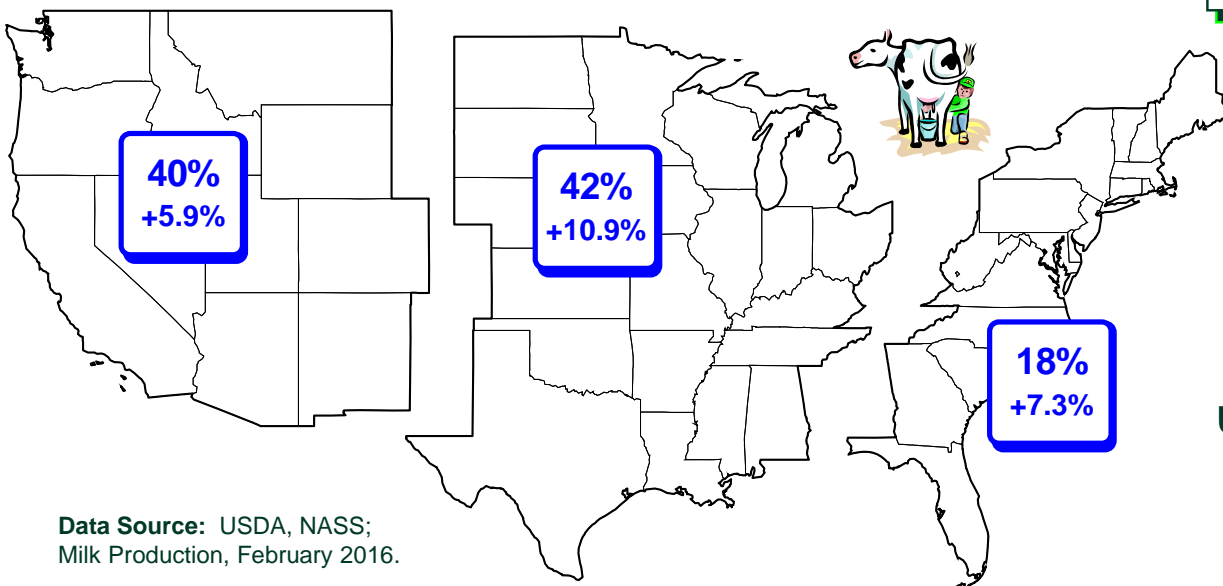


This bulletin addresses the question, "Where's The Milk ?", by examining milk production and dairy product manufacturing on a regional basis. The map graphics and data tables contained in this bulletin depict production of milk, cheese, butter, yogurt, ice cream, dry whey, and nonfat dry milk for the 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 2015 production for the specified product, while the bottom number represents the percentage change in production comparing 2015 with 2010.

Comparing 2015 with 2010, the **Central, Atlantic, and West Regions increased** milk production by 10.93%, 7.27%, and 5.88%, respectively. The **Central Region** accounted for 41.66% of total U.S. production, **up** more than one percentage point compared with 2010 (40.63%). The **West Region** accounted for 40.21% of U.S. Milk production in 2015, which was **down** more than three-fourths of a percentage point compared with the proportion in 2010 (41.08%). The **Atlantic Region** accounted for the smallest proportion of the 2015 total at 18.13%, and this proportion was **down** by 0.15 percentage points compared with 2010 (18.28%). Milk production data for 2010 through 2015 is located on the back page of this bulletin.

Milk production in the United States in 2015 increased by 15.8 billion pounds compared with 2010. The additional milk required to meet increased cheese production during the same period was approximately 14.0 billion pounds.

Regional Milk Production as a Percentage of 2015 Total U.S. Milk Production with Percentage Change in Production: 2015 vs 2010



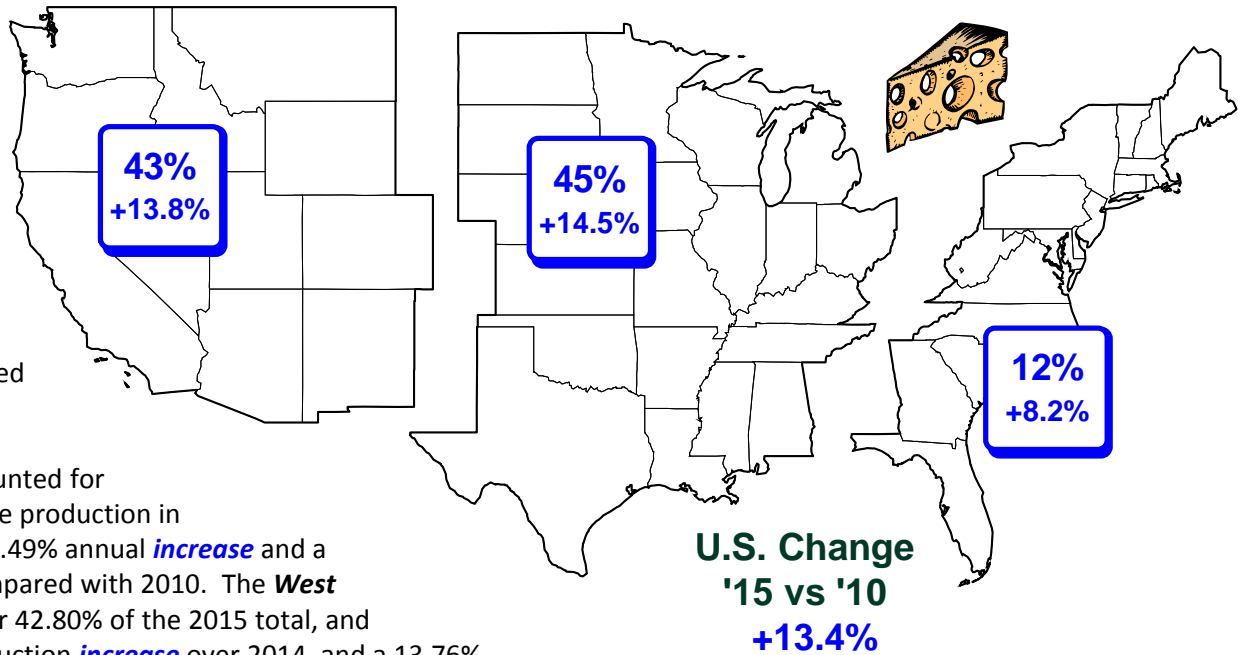
U.S. Change '15 vs '10 +8.2%

Data Source: USDA, NASS; Milk Production, February 2016.

Regional Cheese Production as a Percentage of 2015 Total U.S. Cheese Production with Percentage Change in Production: 2015 vs 2010

U.S. cheese production totaled 11.838 billion pounds during 2015. The 2015 total is an **increase** of 2.83% compared with 2014, and it is 13.36% **greater than** the amount produced in 2010.

As depicted by the map on this page, all three regions recorded **increases** comparing 2015 with 2010. The **Central Region** accounted for 44.70% of U.S. cheese production in 2015, and posted a 4.49% annual **increase** and a 14.50% **increase** compared with 2010. The **West Region** accounted for 42.80% of the 2015 total, and posted a 1.74% production **increase** over 2014, and a 13.76% **increase** compared with 2010. The **Atlantic Region** accounted for 12.50% of the U.S. total in 2015, and this region's cheese production **increased** by 0.85 versus the previous year, and **increased** 8.20% comparing 2015 with 2010.



Data Source: USDA, NASS; [Dairy Products 2015 Summary](#), April 2016.

The Central & West Regions each increased their share of total U.S. cheese production in three of the last five years, while the Atlantic Region's share has decreased in 14 of the past 16 years. The Central Region has accounted for the largest proportion of cheese production each year since 2008.

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

	Atlantic	Central	West	Total
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	1,468,081	5,064,175	4,979,849	11,512,105
2015	1,480,591	5,291,408	5,066,426	11,838,425

As a Percent of Total Production

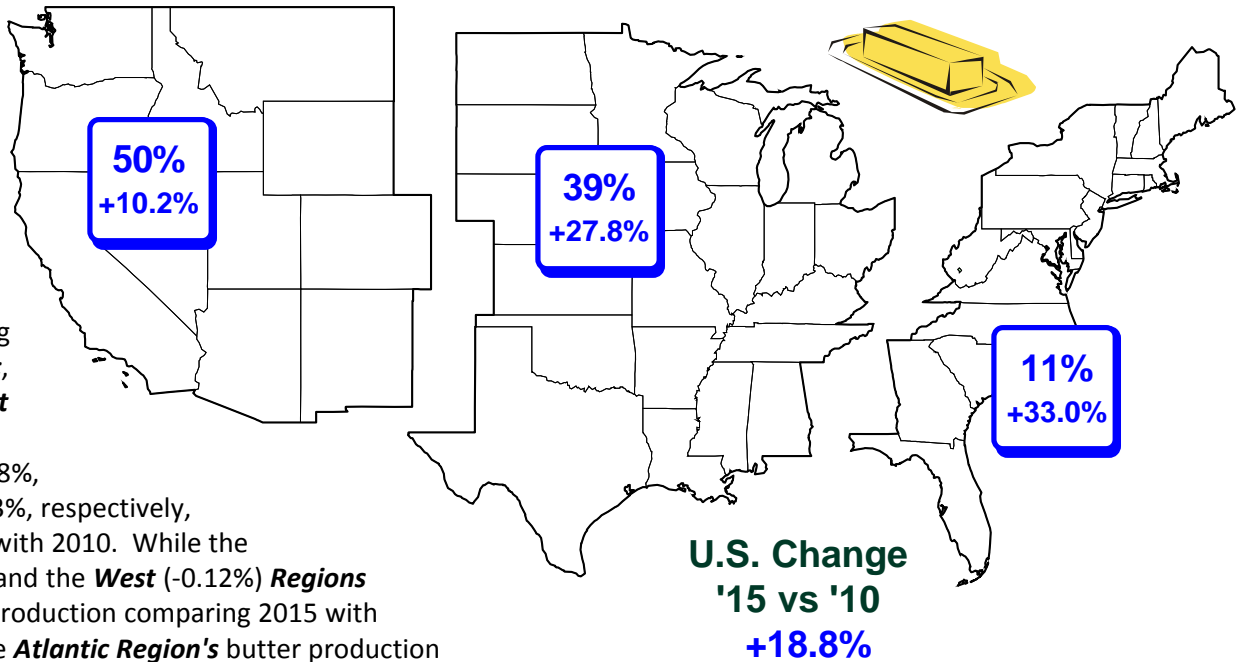
	Atlantic	Central	West
2010	13.10	44.25	42.65
2011	12.90	44.37	42.74
2012	12.78	45.18	42.04
2013	12.93	44.80	42.27
2014	12.75	43.99	43.26
2015	12.50	44.70	42.80



Regional Butter Production as a Percentage of 2015 Total U.S. Butter Production with Percentage Change in Production: 2015 vs 2010

U.S. butter production **increased** by 18.80% comparing 2015 with 2010. Butter production totaled 1.858 billion pounds during 2015 -- **up** 0.14% from 2014.

As depicted by the accompanying map, the **Atlantic**, **Central**, and **West Regions** posted **increases** of 32.98%, 27.77% and 10.23%, respectively, comparing 2015 with 2010. While the **Central** (-1.15%) and the **West** (-0.12%) **Regions** both **decreased** production comparing 2015 with previous year, the **Atlantic Region's** butter production **increased** by 6.70%. The **West Region** was the largest butter producer in 2015 accounting for 50.04% of the U.S. total, followed by the **Central Region** with 39.43%. The **Atlantic Region** accounted for 10.53% of the 2015 U.S. total.



Data Source: USDA, NASS; Dairy Products 2015 Summary, April 2016.

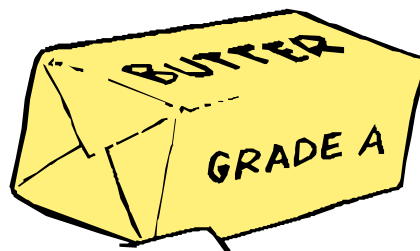
Total U.S. Butter Production By Region (thousand lbs.)

	Atlantic	Central	West	Total
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	741,130	930,811	1,855,315
2015	195,657	732,622	929,719	1,857,998

The Central Region's share of U.S. butter production declined from 47.89% in 2002 to 39.43% in 2015. During the same time frame, the West Region increased its proportion from 41.09% to 50.04%, while total U.S. butter production increased by 37.11%. The Atlantic Region's share in 2015 was 10.53%, which was the first time since 2003 that it was above 10%

As a Percent of Total Production

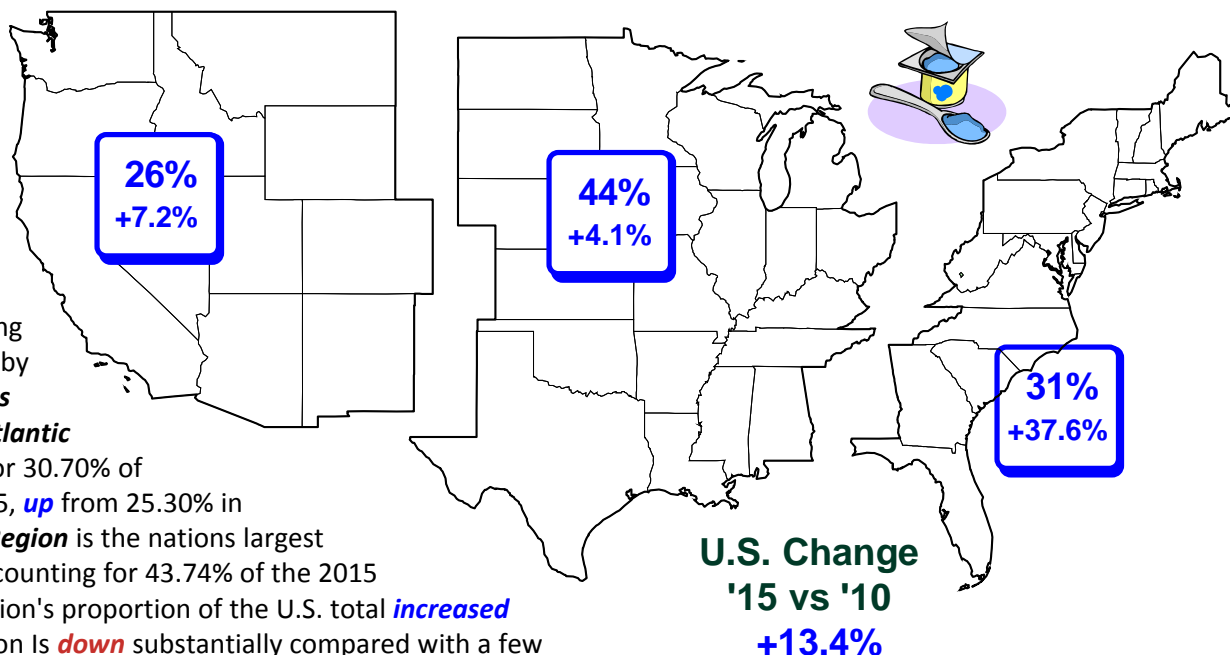
	Atlantic	Central	West
2010	9.41	36.66	53.93
2011	8.97	38.83	52.21
2012	8.88	38.58	52.54
2013	9.67	38.70	51.63
2014	9.88	39.95	50.17
2015	10.53	39.43	50.04



Regional Yogurt Production as a Percentage of 2015 Total U.S. Yogurt Production with Percentage Change in Production: 2015 vs 2010

U.S. yogurt production **increased** by 13.43% comparing 2015 with 2010. Yogurt production totaled 4.742 billion pounds during 2015 -- **down** 0.30% comparing with 2014.

All three regions **increased** yogurt production comparing 2015 with 2010, led by the **Atlantic Region's** 37.63% gain. The **Atlantic Region** accounted for 30.70% of the U.S. total in 2015, **up** from 25.30% in 2010. The **Central Region** is the nation's largest yogurt producer, accounting for 43.74% of the 2015 total. While this region's proportion of the U.S. total **increased** in 2015, 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 7.22% comparing 2015 with 2010, but the 2015 total was **down** 4.03% versus 2014. This region accounted for 25.56% of total U.S. yogurt production in 2015.



Data Source: USDA, NASS; [Dairy Products 2015 Summary](#), April 2016.

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

	Atlantic	Central	West	Total
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	1,435,465	2,058,018	1,263,079	4,756,562
2015	1,455,853	2,074,078	1,212,156	4,742,087

The Atlantic Region's share of U.S. yogurt production increased from 23.54% in 2007 to 34.42% in 2012, but has since declined to 30.70% (2015). The Central Region's Proportion decreased from 52.47% to 41.64% between 2007 and 2013, before rebounding to 43.74% in 2015. The West Region's share decreased to 25.56% in 2015, after consecutive year-over-year increases.

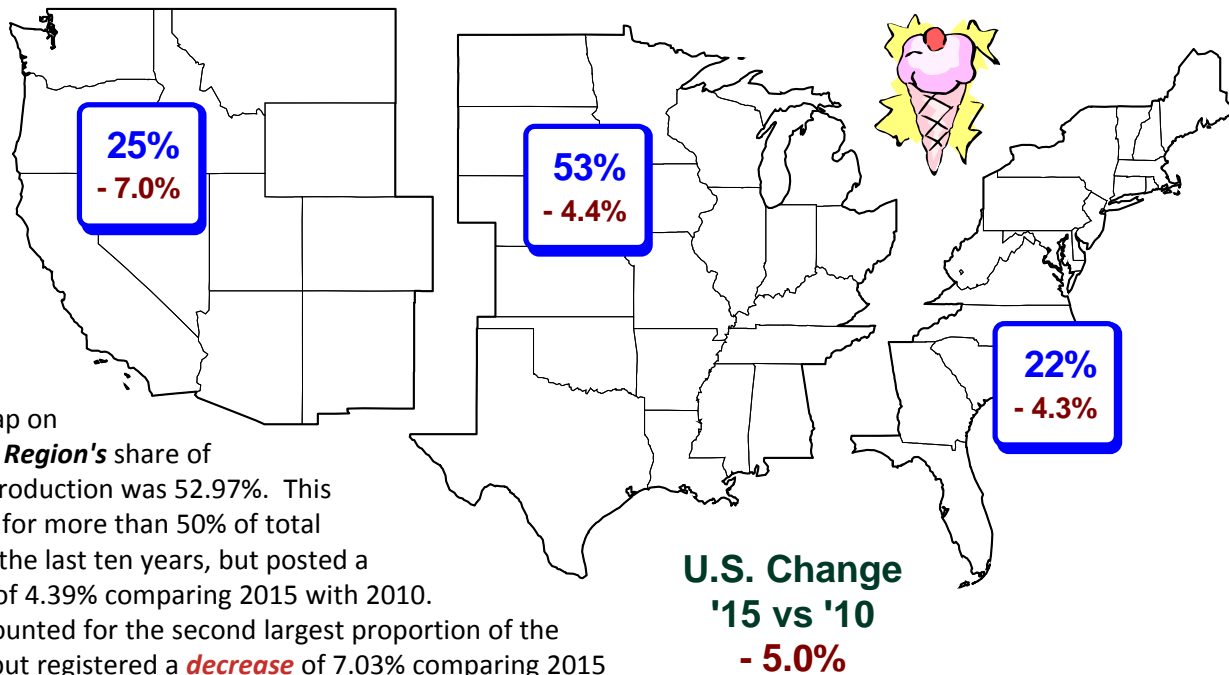
As a Percent of Total Production

	Atlantic	Central	West
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	43.27	26.55
2015	30.70	43.74	25.56



U.S. ice cream production* **decreased** by 5.04% comparing 2015's total with the 0.819 billion gallons produced in 2010. Ice cream production totaled 0.778 billion gallons during 2015, **up** 1.37% from the previous year. Yearly ice cream production has increased only twice since 2005.

Regional Ice Cream Production* as a Percentage of 2015 Total U.S. Ice Cream Production with Percentage Change in Production: 2015 vs 2010



As depicted by the map on this page, the **Central Region's** share of 2015 U.S. ice cream production was 52.97%. This region has accounted for more than 50% of total yearly production for the last ten years, but posted a production **decrease** of 4.39% comparing 2015 with 2010. The **West Region** accounted for the second largest proportion of the U.S. total at 24.96%, but registered a **decrease** of 7.03% comparing 2015 with 2010. The **Atlantic Region** posted the smallest percentage **decrease**, with production **declining** 4.26% between 2010 and 2015. This region accounted for the smallest production share with 22.08% of the 2015 U.S. total.

Data Source: USDA, NASS; [Dairy Products 2015 Summary](#), April 2016.

U.S. regular (hard) ice cream production has declined in 10 of the last 13 years. The Central Region's share of the 2015 total was 52.97%, and this region has accounted for more than 50% of total U.S. ice cream production each year since 2006. After decreasing for 12 consecutive years, the Atlantic Region's proportion of total production increased to 22.08% in 2015.

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

	Atlantic	Central	West	Total
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	153,330	424,415	189,337	767,082
2015	171,661	411,841	194,062	777,564

As a Percent of Total Production

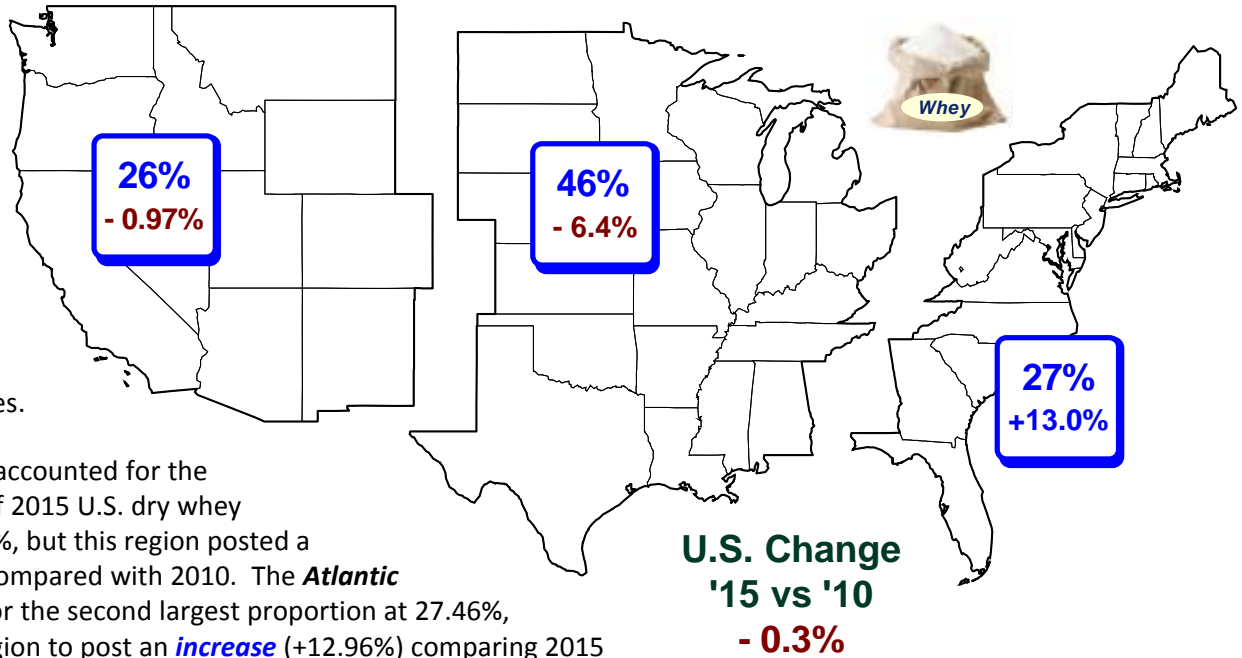
	Atlantic	Central	West
2010	21.90	52.61	25.49
2011	21.44	52.01	26.55
2012	20.77	53.99	25.24
2013	20.11	55.79	24.10
2014	19.99	55.33	24.68
2015	22.08	52.97	24.96



* Regular (hard) ice cream production.

U.S. dry whey production* **decreased** by 0.26% comparing 2015's total with the 0.961 billion pounds produced in 2010. Dry whey production totaled 0.958 billion pounds during 2015, **up** 11.93% from 2014. The 2015 **increase** followed four consecutive yearly production decreases.

Regional Whey Production as a Percentage of 2015 Total U.S. Whey Production with Percentage Change in Production: 2015 vs 2010



The **Central Region** accounted for the largest proportion of 2015 U.S. dry whey production at 46.20%, but this region posted a **decrease** of 6.40% compared with 2010. The **Atlantic Region** accounted for the second largest proportion at 27.46%, and was the only region to post an **increase** (+12.96%) comparing 2015 with 2010. The **West Region** posted a small percentage **decrease** (-0.97%) comparing 2015 with 2010, but 2015 production was up 26.35% compared with 2014. This region accounted for 26.34% of 2015 U.S. dry whey production, the smallest proportion among the three regions.

Data Source: USDA, NASS; [Dairy Products 2015 Summary](#), April 2016.

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

	Atlantic	Central	West	Total
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	248,959	407,254	199,771	855,984
2015	263,098	442,630	252,411	958,139

As a Percent of Total Production

	Atlantic	Central	West
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	29.08	47.58	23.34
2015	27.46	46.20	26.34

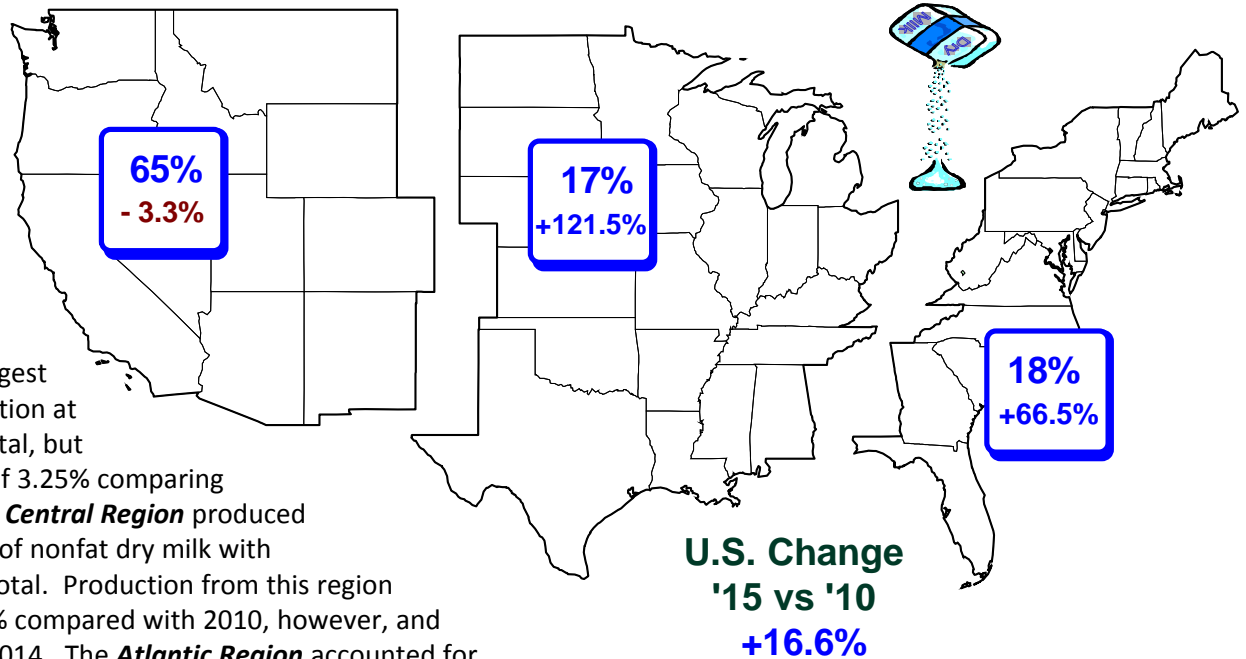
U.S. dry whey (human) production increased by 11.93% during 2015, after decreasing four consecutive years. Production increased in all three regions, with the West Region leading the way by posting a 26.35% year-over-year gain. Comparing 2015 with 2010, production was down slightly (-0.26%), with decreases in the Central (-6.40%) and West (-0.97%) Regions nearly offset by the Atlantic Region's increase (+12.96%).



Regional NFDM Production as a Percentage of 2015 Total U.S. NFDM Production with Percentage Change in Production: 2015 vs 2010

U.S. nonfat dry milk (NFDM) production **increased** by 16.62%, comparing 2015 with 2010. Production totaled 1.822 billion pounds in 2015, which was a **increase** of 3.26% compared with 2014.

The **West Region** accounted for the largest proportion of production at 65.07% of the U.S. total, but posted an **decrease** of 3.25% comparing 2015 with 2010. The **Central Region** produced the smallest amount of nonfat dry milk with 16.67% of the 2015 total. Production from this region **increased** by 121.55% compared with 2010, however, and was **up** 7.31% from 2014. The **Atlantic Region** accounted for 18.26% of the U.S. total in 2015, with production **increasing** by 66.47% compared with 2010, and **up** 15.34% versus the 2014 total.



Data Source: USDA, NASS; [Dairy Products 2015 Summary](#), April 2016.

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

	Atlantic	Central	West	Total
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	1,193,066	1,764,632
2015	332,732	303,783	1,185,668	1,822,183

As a Percent of Total Production

	Atlantic	Central	West
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
2015	18.26	16.67	65.07

The West Region has accounted for 73.79% 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 2015 was the smallest since 1996 (62.38%). The Atlantic Region's proportion of the U.S. total has increased by 7.57 percentage points (+70.81%) since 2011, while the Central's proportion has increased by 7.89 percentage points (+89.86%) since 2010.





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

	----- Million Lbs. -----				----- % of Total -----		
	<u>Atlantic</u>	<u>Central</u>	<u>West</u>	<u>Total</u>	<u>Atlantic</u>	<u>Central</u>	<u>West</u>
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	37,127	83,851	85,077	206,055	18.02	40.69	41.29
2015	37,822	86,923	83,887	208,632	18.13	41.66	40.21

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**Statistical
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**Producer Price
Differential**

**Class I
Utilization**

	<u>May '16</u>		<u>Apr '16</u>		<u>May '16</u>		<u>Apr '16</u>	
Northeast	14.73	14.85	1.97	1.22	31.04	32.00		
Appalachian	15.98	16.01	---	---	63.97	66.02		
Florida	18.10	18.32	---	---	81.11	84.47		
Southeast	16.27	16.34	---	---	64.45	64.29		
Upper Midwest	13.08	13.78	0.32	0.15	8.85	8.88		
Central	13.53	13.91	0.77	0.28	26.00	29.82		
Mideast	13.81	14.02	1.05	0.39	28.52	29.68		
Pacific Northwest	13.50	13.67	0.74	0.04	21.24	26.32		
Southwest	14.40	14.80	1.64	1.17	28.32	29.36		
Arizona	13.78	13.82	---	---	22.95	23.29		