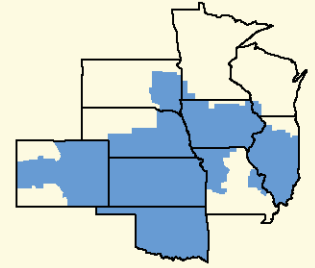


Bulletin

Facilitating the efficient marketing of milk and dairy products.

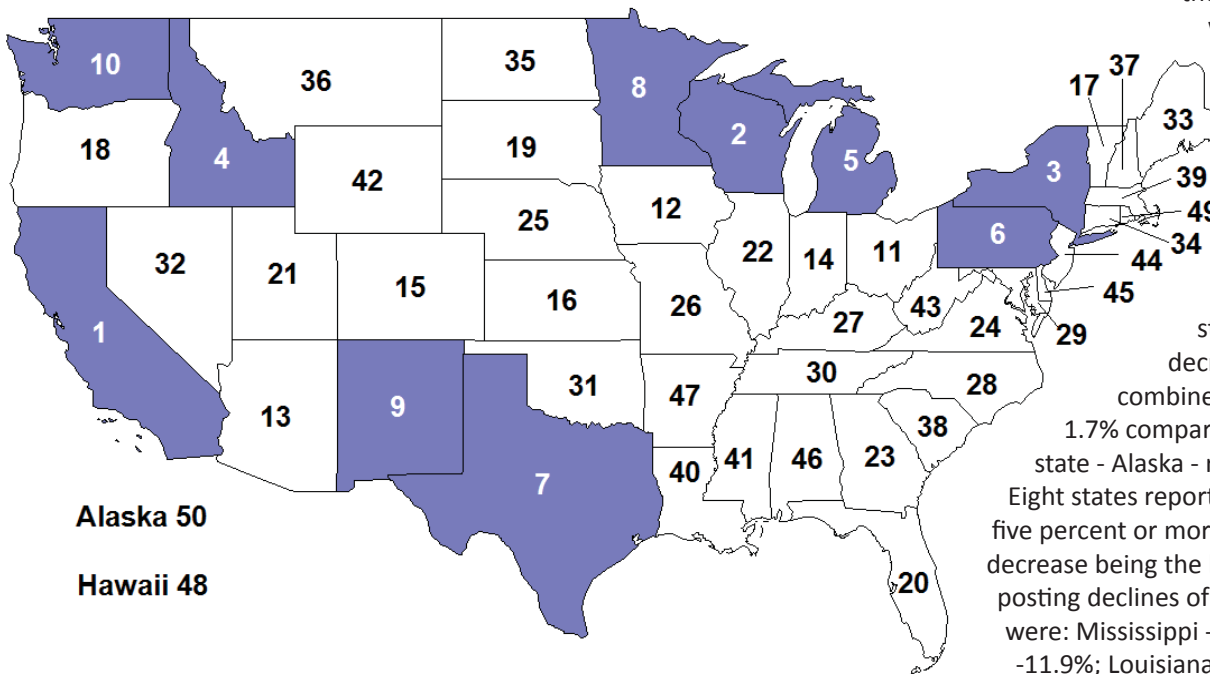


CENTRAL MARKETING AREA

2016 Milk Production

U.S. 2016 milk production totaled 212.4 billion pounds, an increase of 3.8 billion pounds over 2015. The 2016 total is a record high for the seventh consecutive year, and is an increase of 1.8% over the 208.6 billion pounds produced in 2015. Milk production has exceeded year earlier totals during 18 of the last 20 years, with the exceptions occurring during 2001 and 2009. Production has increased by 16.3 billion pounds over the past five years (2016 versus 2011), a gain of 8.3%.

2016 Milk Production Ranking Top Ten States Highlighted



Twenty-six states registered annual milk production increases during 2016, with a combined increase of 3.3%. South Dakota recorded the largest percentage gain, with milk production increasing 7.9%.

Three other states recorded increases of five percent or more: Nebraska +7.0%; Maine +6.1%; and Michigan +6.0%.

Twenty-three states posted production decreases during 2016, with combined production falling 1.7% compared with 2015. (One state - Alaska - reported no change.)

Eight states reported annual decreases of five percent or more, with Arkansas's 13.2% decrease being the largest. Other states posting declines of five percent or more were: Mississippi -12.7%; Rhode Island -11.9%; Louisiana -10.1%; Alabama -8.9%; Tennessee -6.2%; Utah -5.6%; and West Virginia -5.0%.

The map on this page ranks milk production by state for 2016, with the top ten milk producing states shaded. The graphics on page 4 depict states with the largest percentage increases and decreases in milk production over the past five years (2016 versus 2011).

Thirty states recorded milk production increases comparing 2016 with 2011. The combined production for these states represented 73.9% of total 2016 U.S. milk production, and the combined increase for these 30 states was 13.3%. Twelve states posted increases larger than the 30 state percentage average. These were: South Dakota +35.9%; Colorado +30.8%; Kansas +28.8%; Michigan +28.3%; Hawaii +27.4%; Georgia +26.2%; Nebraska +19.3%; Indiana +16.8%; Iowa +15.8%; Wisconsin +15.6%; New York +15.0%; and Wyoming +13.6%.

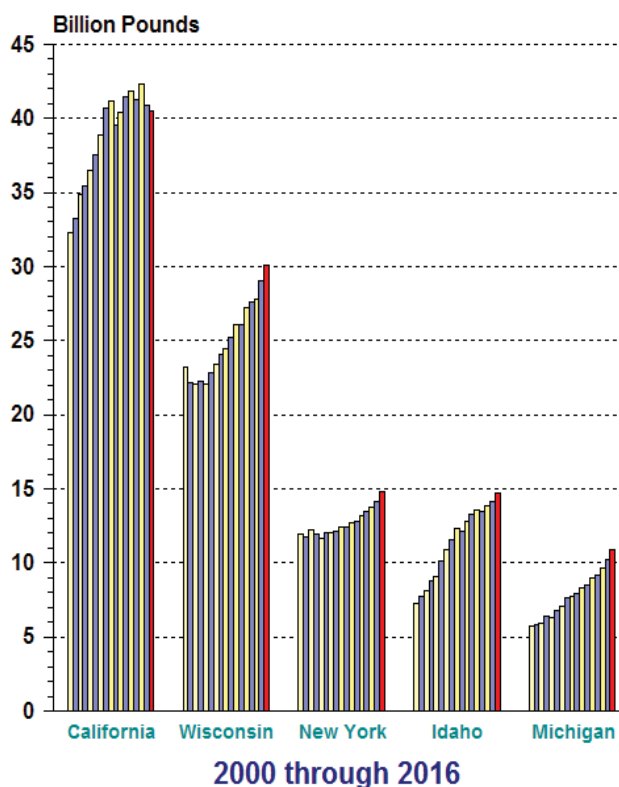
The remaining 20 states registered a combined 3.8% production decrease, and these states accounted for 26.1% of the 2016 U.S. milk production total. Thirteen states recorded decreases greater than the 3.8% average percentage loss. These were: Alaska -49.3%; Arkansas -44.4%; Alabama -36.6%; Mississippi -29.4%; Rhode Island -28.9%; Louisiana -27.2%; Oklahoma -25.0%; West Virginia -14.1%; Tennessee -14.1%; South Carolina -10.4%; New Jersey -9.6%; New Mexico -5.7%; and Kentucky -3.9%.

The graph on this page depicts production since 2000 for the nation's top five milk producing states. Four of these states recorded increases comparing 2016 with 2015 -- Michigan +6.0%; New York +4.8%; Idaho +3.9%; and Wisconsin +3.8%. California was the only top five state to post a decrease, with production falling by 1.0%. Comparing 2016 with 2000, Idaho's production increased by 103.0%, while Michigan's increased by 90.6%. Wisconsin (+29.5%) posted the third largest increase among the top five states, followed by California (+25.4%) and New York (+23.9%). Michigan's production surpassed Pennsylvania's in 2016, positioning it as the fifth largest milk producing state.

The map on page 6 provides a ranking of states based on 2016 milk production per cow. Idaho, Michigan, New Mexico, New York, Washington, and Wisconsin are states ranked in the top ten in both total milk production and production per cow. All of the top five milk producing states were also above the 2016 national average production of 22,774 pounds per cow: Michigan 25,957; Idaho 24,647; New York 23,815; Wisconsin 23,552; and California 22,968.

Annual Milk Production

Top Five Dairy States



2016 Per Capita Milk Production

Per capita milk production is a data series presented annually in this Bulletin. A

comparison of this series to per capita consumption data may reflect the aggregate supply and demand balance for individual states and regions throughout the U.S. The table on page 7 details and compares per capita milk production by state for 2016, 2015, and 2011. This table lists the states in descending order based on 2016 per capita production. States with per capita production of more than 600 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, Idaho, Michigan, Minnesota, New Mexico, and Wisconsin.

Data used in these calculations indicates per capita production for 2016 was 657.4 pounds, up 7.4 pounds (+1.1%) compared with 2015. Twenty-three states reported annual per capita increases during 2016, with South Dakota (+7.0%) posting the largest gain. Three other states had an increase greater than five percent: Nebraska +6.3%; Maine +5.9%; and Michigan +5.9%. Arkansas recorded the largest per capita production decline during 2016, with a loss of 13.7%. Eight additional states recorded decreases of five percent or more compared with 2015.

Per capita production for the U.S. increased by 28.0 pounds (+4.4%) between 2011 and 2016. Twenty-six states recorded increases in per capita milk production, led by South Dakota's 29.5% gain. Twelve additional states increased per capita production by 10% or more comparing 2016 with 2011. Alaska recorded the largest decrease, with per capita production falling by 50.5%. Six additional states posted declines of more than 20%, while four states reported decreases between 10% and 20%.

The map on the top of page 3 depicts per capita milk production by state for 2016. The 300 and 600 pound levels of per capita production are arbitrary divisions selected for this map. The 600 pound level roughly approximates annual per capita consumption of all dairy products on a milk equivalent basis, while the 300 pound level reflects average annual consumption of Class I and Class II products (fluid and soft manufactured products), plus reserve requirements. A cursory analysis of regional milk supply conditions can be performed by examining the shading patterns prevalent in the individual regions.

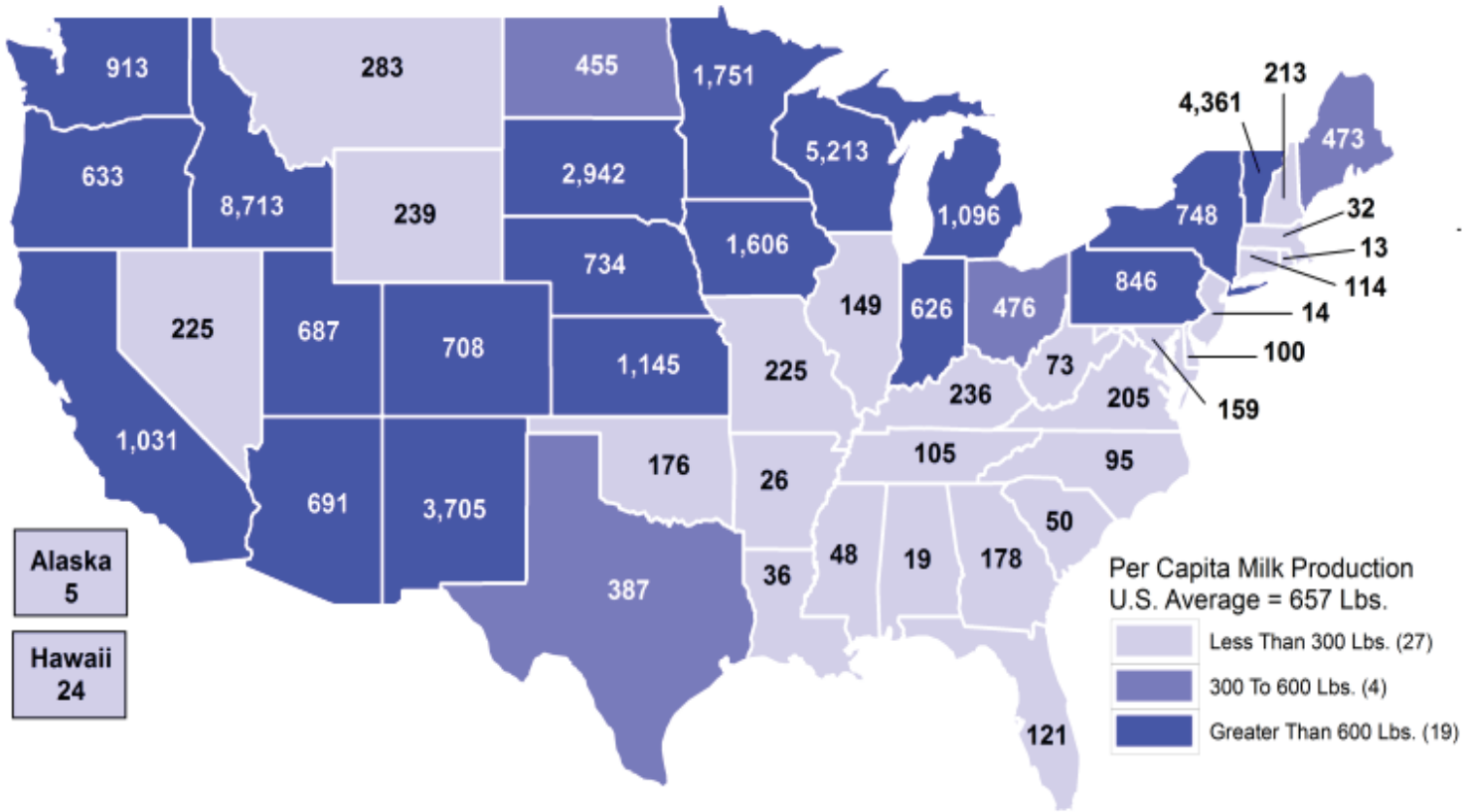
The map at the bottom of page 3 displays the percentage change in per capita milk production by state between 2011 and 2016. The data represented by this map reflects changes in production combined with population changes. The graphics on page 5 depict the states with the largest percentage increases and decreases from 2011 to 2016.

The graph on page 6 provides a ranking of the top five milk producing states in total milk production, production per cow, and production per capita. The graph on the last page of this Bulletin depicts milk production per capita for the U.S. over the last 37 years.

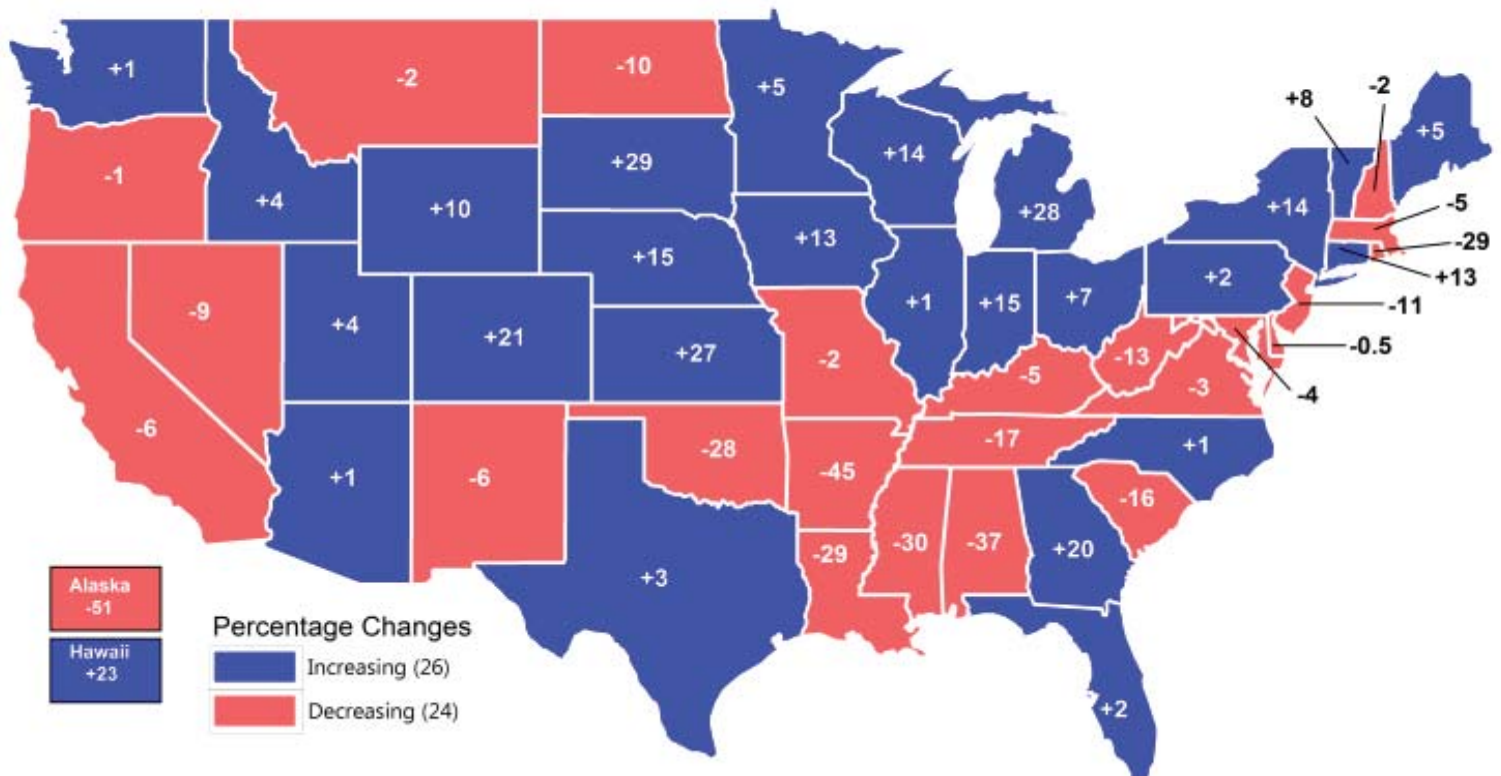
Percentage of 2016 U.S. Totals

	U.S. Milk Production	U. S. Population Estimate
California	19.05	12.15
Wisconsin	14.18	1.79
Idaho	6.90	0.52
New York	6.95	6.11
Michigan	5.12	3.07
5-State Total	52.20	23.64

2016 Per Capita Milk Production



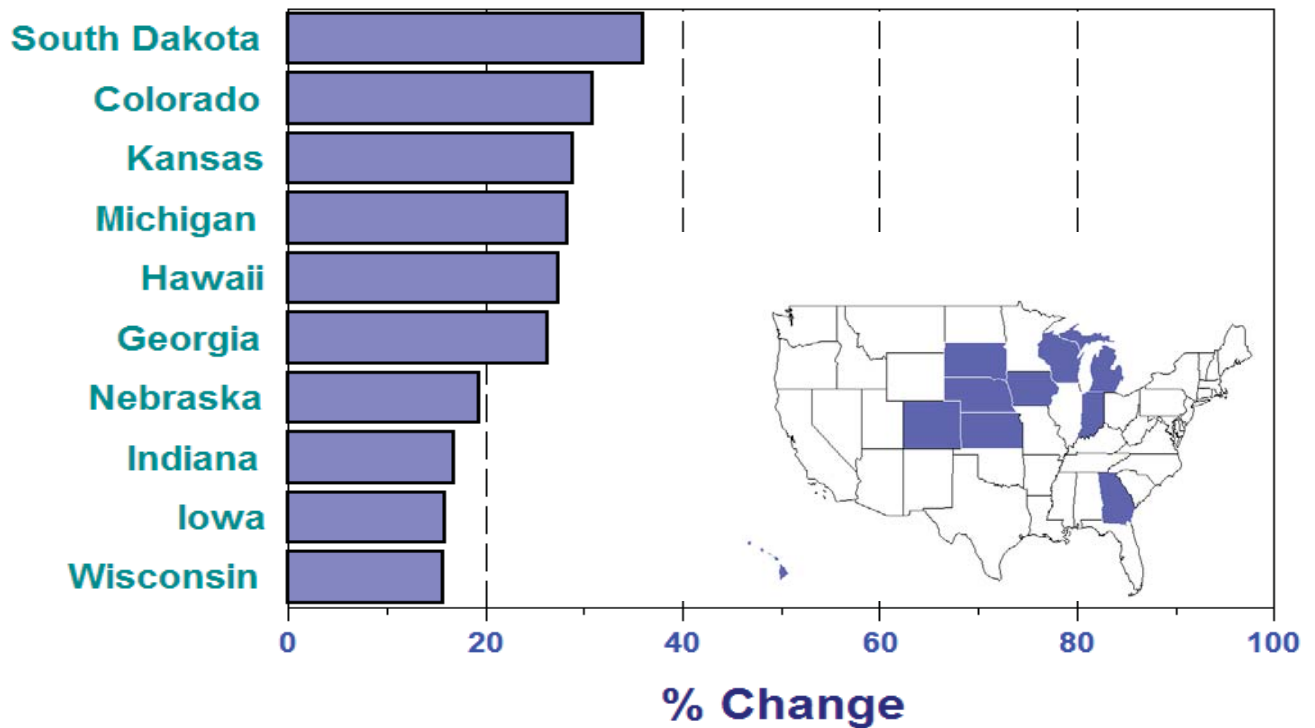
Percent Change In Per Capita Milk Production 2016 vs 2011



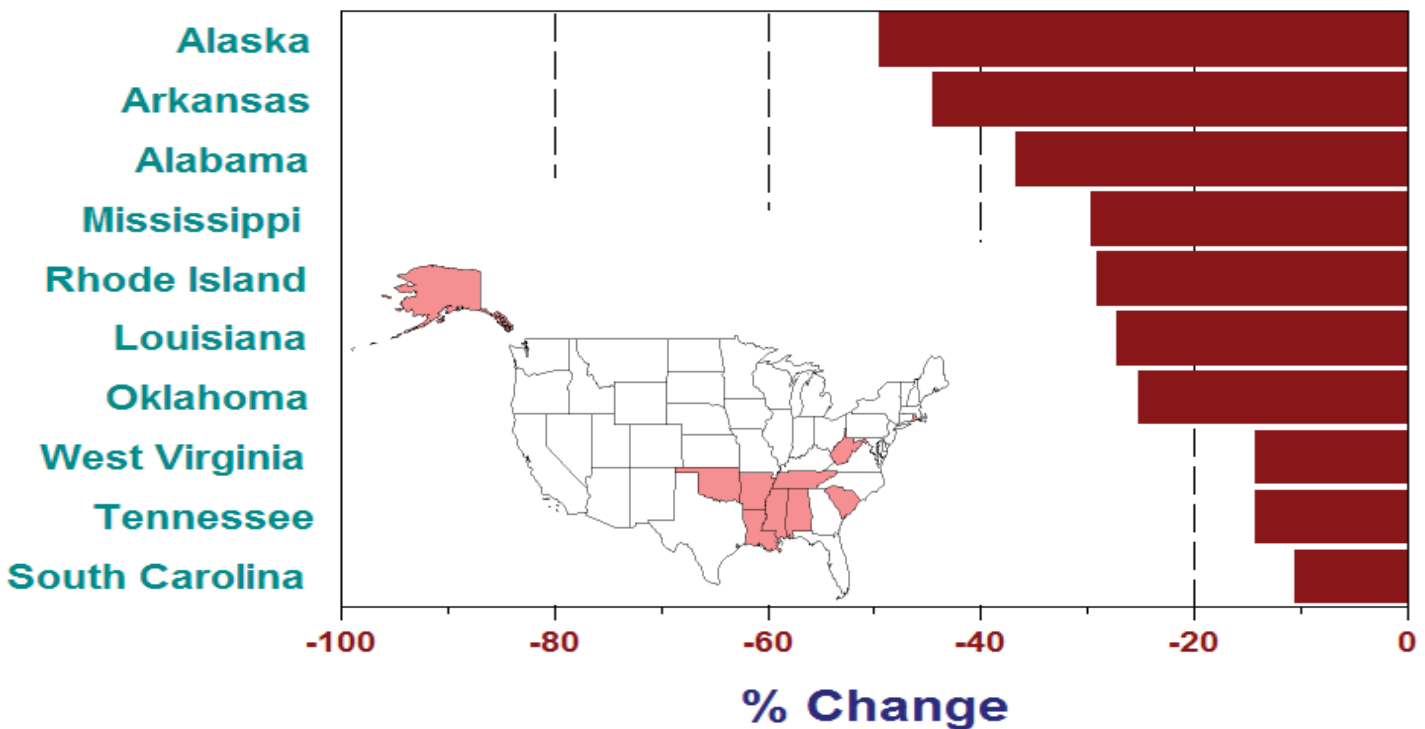
Milk Production: 2016 vs 2011

U.S. Average = +8.3%

Largest Production Increases



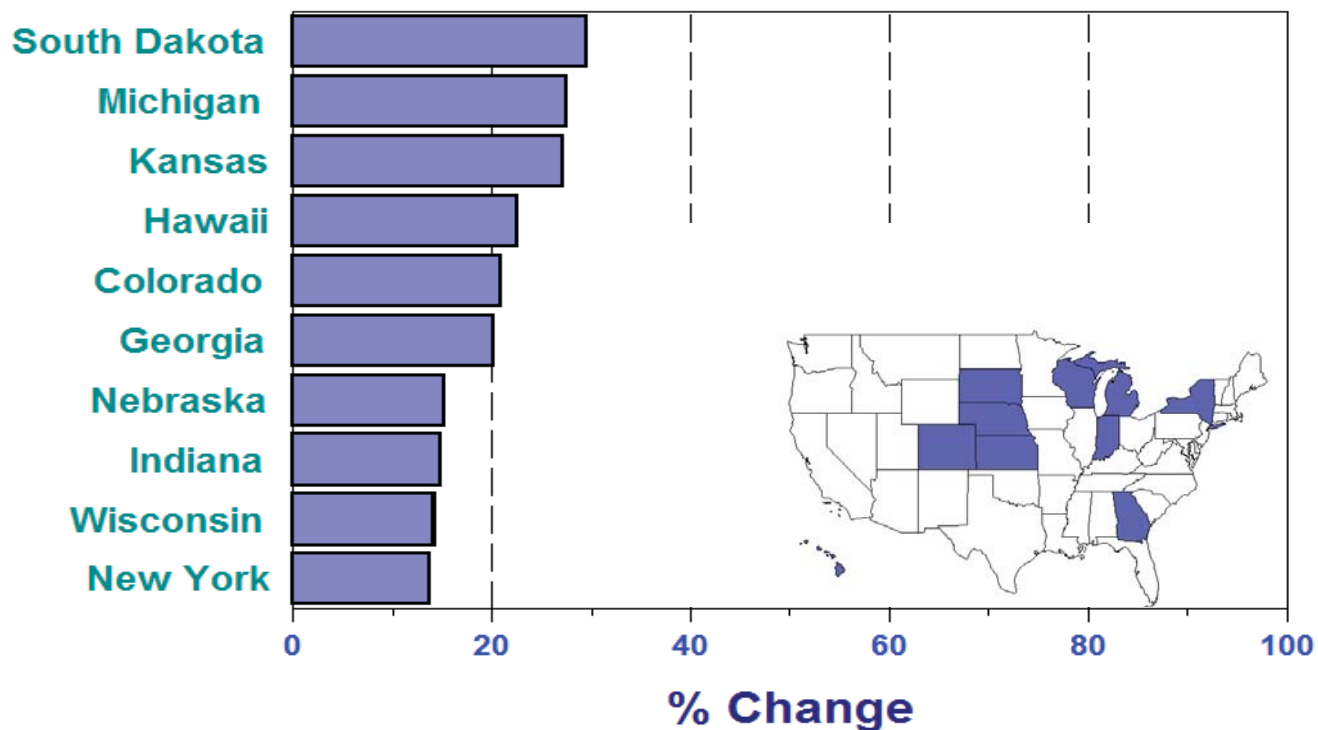
Largest Production Decreases



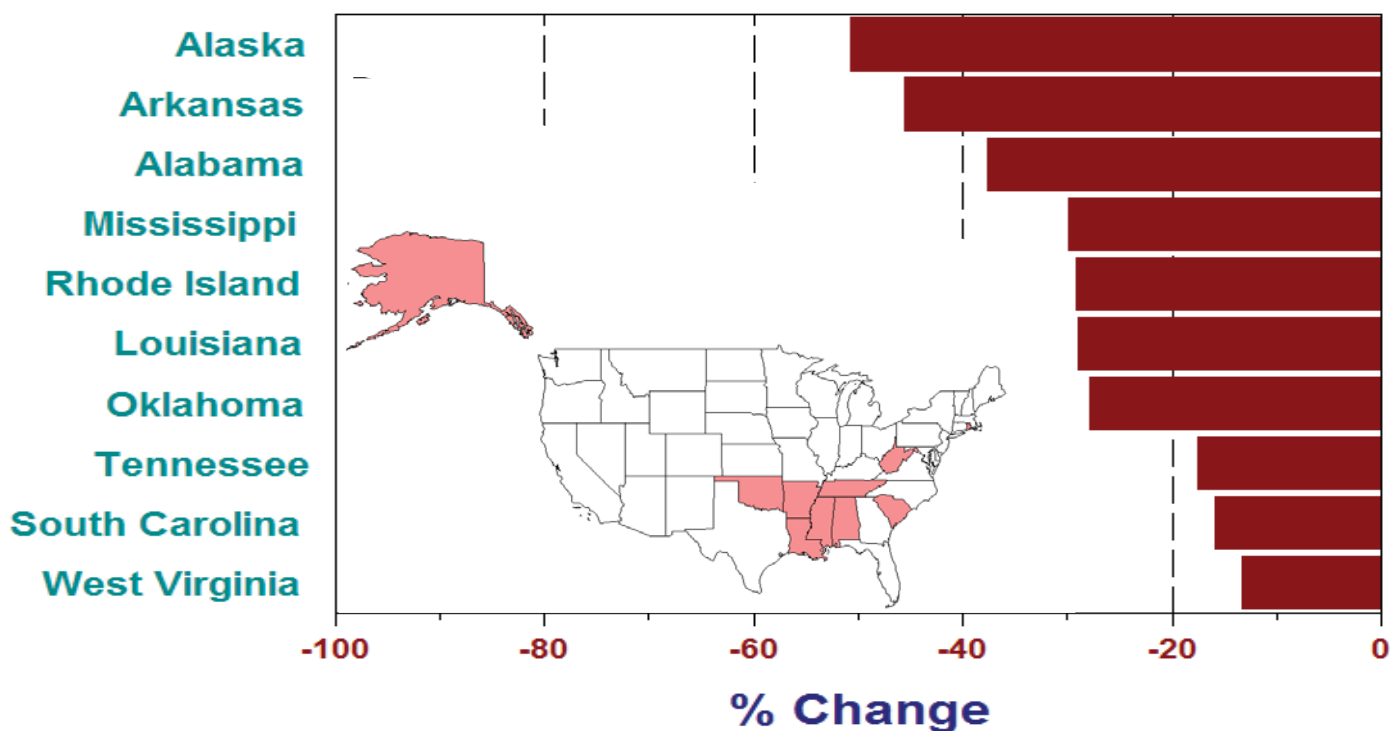
Per Capita Milk Production: 2016 vs 2011

U.S. Average = +4.4%

Largest Per Capita Increases

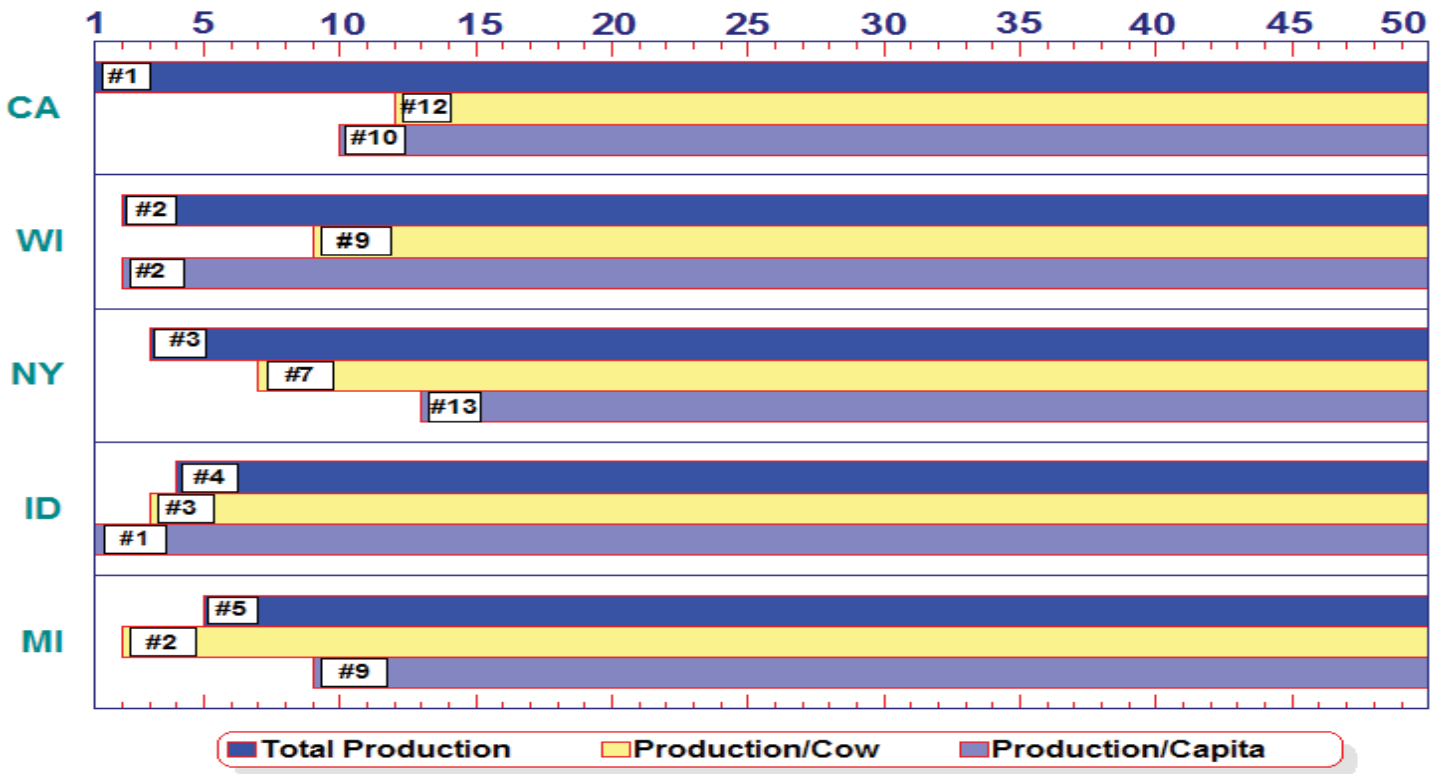


Largest Per Capita Decreases

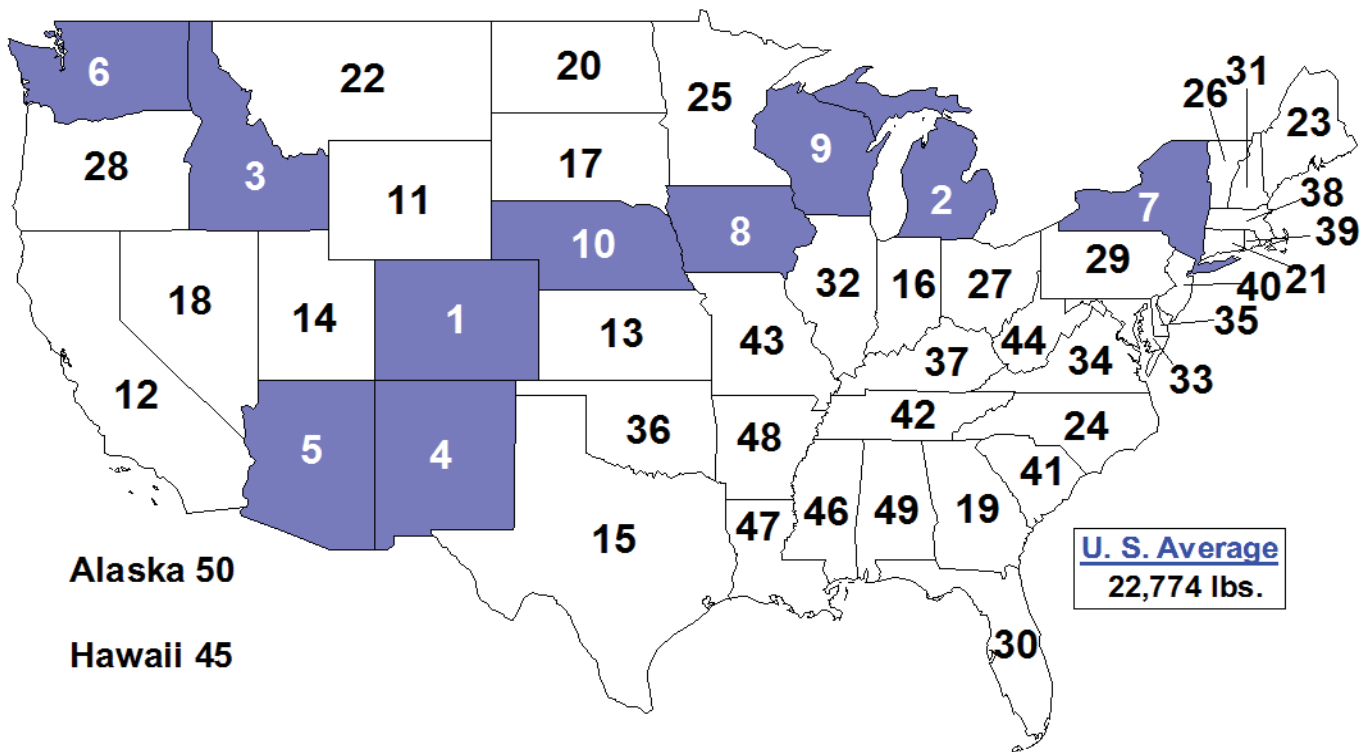


2016 Milk Production: Top Five States

State Rankings



2016 Milk Production Per Cow Ranking Top Ten States Highlighted



Per Capita Milk Production

2016 versus 2015 & 2011 - By State

States	Per Capita Milk Production			Change In Per Capita Milk Production			
	2016	2015	2011	2016 vs 2015		2016 vs 2011	
				Pounds	Percent	Pounds	Percent
1 Idaho	8,712.9	8,539.3	8,367.9	173.6	2.0	345.0	4.1
2 Wisconsin	5,212.8	5,033.0	4,563.9	179.8	3.6	648.9	14.2
3 Vermont	4,361.2	4,258.2	4,049.6	103.0	2.4	311.6	7.7
4 New Mexico	3,705.4	3,764.3	3,935.5	-58.9	-1.6	-230.1	-5.8
5 South Dakota	2,941.8	2,749.7	2,272.0	192.1	7.0	669.8	29.5
6 Minnesota	1,751.1	1,725.9	1,662.1	25.2	1.5	89.0	5.4
7 Iowa	1,605.9	1,549.6	1,418.2	56.3	3.6	187.7	13.2
8 Kansas	1,145.1	1,092.6	900.9	52.5	4.8	244.2	27.1
9 Michigan	1,095.5	1,034.6	858.4	60.9	5.9	237.1	27.6
10 California	1,031.1	1,048.8	1,100.5	-17.7	-1.7	-69.4	-6.3
11 Washington	912.5	922.6	904.2	-10.1	-1.1	8.3	0.9
12 Pennsylvania	846.4	844.3	827.6	2.1	0.2	18.8	2.3
13 New York	747.8	713.7	657.7	34.1	4.8	90.1	13.7
14 Nebraska	733.6	690.2	636.7	43.4	6.3	96.9	15.2
15 Colorado	708.1	689.5	585.9	18.6	2.7	122.2	20.9
16 Arizona	690.8	694.5	682.2	-3.7	-0.5	8.6	1.3
17 Utah	686.6	742.3	658.4	-55.7	-7.5	28.2	4.3
18 Oregon	633.4	633.8	640.9	-0.4	-0.1	-7.5	-1.2
19 Indiana	625.8	608.7	545.2	17.1	2.8	80.6	14.8
20 Ohio	476.3	473.3	445.6	3.0	0.6	30.7	6.9
21 Maine	473.2	446.8	450.2	26.4	5.9	23.0	5.1
22 North Dakota	455.2	438.7	503.3	16.5	3.8	-48.1	-9.6
23 Texas	386.6	375.5	373.6	11.1	3.0	13.0	3.5
24 Montana	283.0	289.7	288.6	-6.7	-2.3	-5.6	-1.9
25 Wyoming	238.8	230.8	216.8	8.0	3.5	22.0	10.1
26 Kentucky	236.2	243.4	249.5	-7.2	-3.0	-13.3	-5.3
27 Missouri	225.3	224.6	230.9	0.7	0.3	-5.6	-2.4
28 Nevada	224.5	232.0	246.8	-7.5	-3.2	-22.3	-9.0
29 New Hampshire	212.8	212.0	216.9	0.8	0.4	-4.1	-1.9
30 Virginia	204.8	211.7	212.0	-6.9	-3.3	-7.2	-3.4
31 Georgia	177.5	176.2	147.8	0.2	0.1	29.7	20.1
32 Oklahoma	176.4	186.1	243.8	-0.3	-0.2	-67.4	-27.6
33 Maryland	158.9	164.0	166.0	-0.0	-0.0	-7.1	-4.3
34 Illinois	148.7	147.5	147.5	0.0	0.0	1.2	0.8
35 Florida	121.4	127.5	118.8	0.0	0.0	2.6	2.2
36 Connecticut	114.1	110.5	100.6	3.6	3.3	13.5	13.4
37 Tennessee	104.6	112.5	126.6	-7.9	-7.0	-22.0	-17.4
38 Delaware	100.3	104.3	100.8	-4.0	-3.8	-0.5	-0.5
39 North Carolina	95.1	98.2	93.7	-3.1	-3.2	1.4	1.5
40 West Virginia	73.2	76.6	84.1	-3.4	-4.4	-10.9	-13.0
41 South Carolina	50.4	53.3	59.7	-2.9	-5.4	-9.3	-15.6
42 Mississippi	48.2	55.2	68.5	-7.0	-12.7	-20.3	-29.6
43 Louisiana	36.1	40.3	50.7	-4.2	-10.4	-14.6	-28.8
44 Massachusetts	31.6	32.0	33.3	-0.4	-1.3	-1.7	-5.1
45 Arkansas	26.4	30.6	48.3	-4.2	-13.7	-21.9	-45.3
46 Hawaii	24.4	24.6	19.9	-0.2	-0.8	4.5	22.6
47 Alabama	18.9	20.8	30.2	-1.9	-9.1	-11.3	-37.4
48 New Jersey	13.6	14.2	15.3	-0.6	-4.2	-1.7	-11.1
49 Rhode Island	13.3	15.1	18.7	-1.8	-11.9	-5.4	-28.9
50 Alaska	4.7	4.7	9.5	0.0	0.0	-4.8	-50.5
U.S. Totals	657.4	650.0	629.4	7.4	1.1	28.0	4.4

Data Sources:

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



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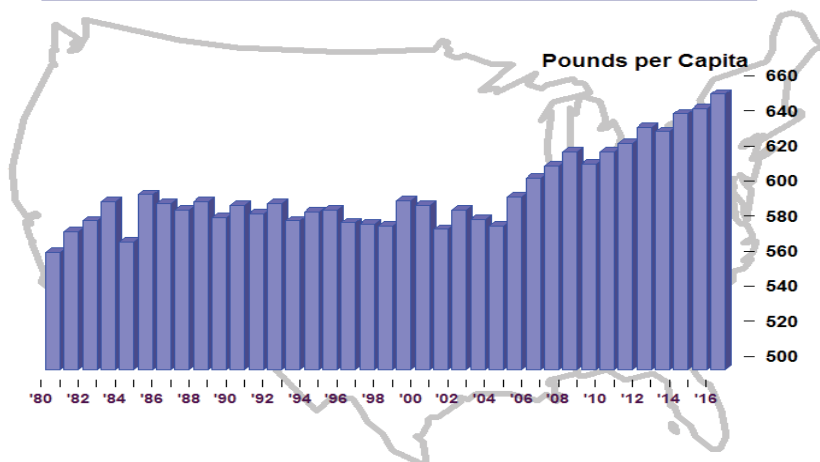
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E-mail: market.administrator@fmmacentral.com
Phone: 913-495-9300

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	<u>1/2017</u>	<u>12/2016</u>	<u>1/2017</u>	<u>12/2016</u>	<u>1/2017</u>	<u>12/2016</u>
Northeast	18.21	17.68	1.44	0.28	32.57	34.62
Appalachian	20.06	19.34	-----	-----	72.88	71.53
Florida	22.22	21.64	-----	-----	85.71	83.24
Southeast	20.27	19.78	-----	-----	69.76	71.64
Upper Midwest	16.99	17.21	0.22	-0.19	11.44	14.50
Central	17.32	16.87	0.55	-0.53	33.97	41.18
Mideast	17.35	16.79	0.58	-0.61	32.09	36.98
Pacific Northwest	17.03	16.37	0.26	-1.03	27.89	28.97
Southwest	17.97	17.65	1.20	0.25	27.84	61.66
Arizona	17.36	16.80	-----	-----	24.85	27.13

U.S. Milk Production Per Capita



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