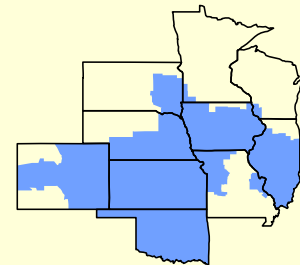


JUNE 2019

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 217 billion pounds in 2018, increasing by 1.0% compared with 2017. The 217.6 billion pounds produced in 2018 represents an increase of approximately 2.1 billion pounds over the previous all-time high of 215.5 billion pounds recorded in 2017. Milk production has exceeded prior year levels in 20 of the last 22 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.

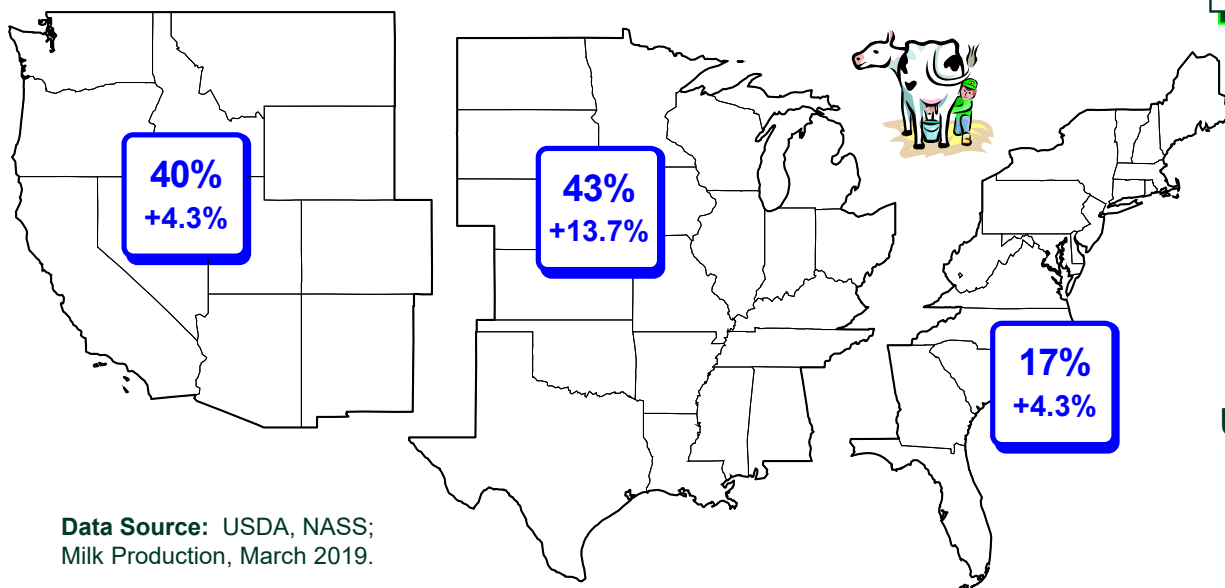


This bulletin addresses the question, "Where's The Milk ?", by examining milk production and dairy product manufacturing on a regional basis. The map graphics and data tables contained in this bulletin depict production of milk, cheese, butter, yogurt, ice cream, dry whey, and nonfat dry milk for the 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 2018 production for the specified product, while the bottom number represents the percentage change in production comparing 2018 with 2013.

Comparing 2018 with 2013, the **Central, Atlantic, and West Regions increased** milk production by 13.68%, 4.35%, and 4.26%, respectively. The **Central Region** accounted for 42.97% of total U.S. production, **up** 2.10 percentage points compared with 2013 (40.87%). The **West Region** accounted for 39.60% of U.S. Milk production in 2018, which was **down** 1.47 percentage points compared with the proportion in 2013 (41.07%). The **Atlantic Region** accounted for the smallest proportion of the 2018 total at 17.43%, and this proportion was down 0.63 percentage points compared with 2013 (18.06%). Milk production data for 2013 through 2018 is on the back page of this bulletin.

U.S. milk production in 2018 increased by 16.3 billion pounds compared with 2013. The additional milk required to meet increased cheese production during the same period was approximately 19.2 billion pounds.

Regional Milk Production as a Percentage of 2018 Total U.S. Milk Production with Percentage Change in Production: 2018 vs 2013



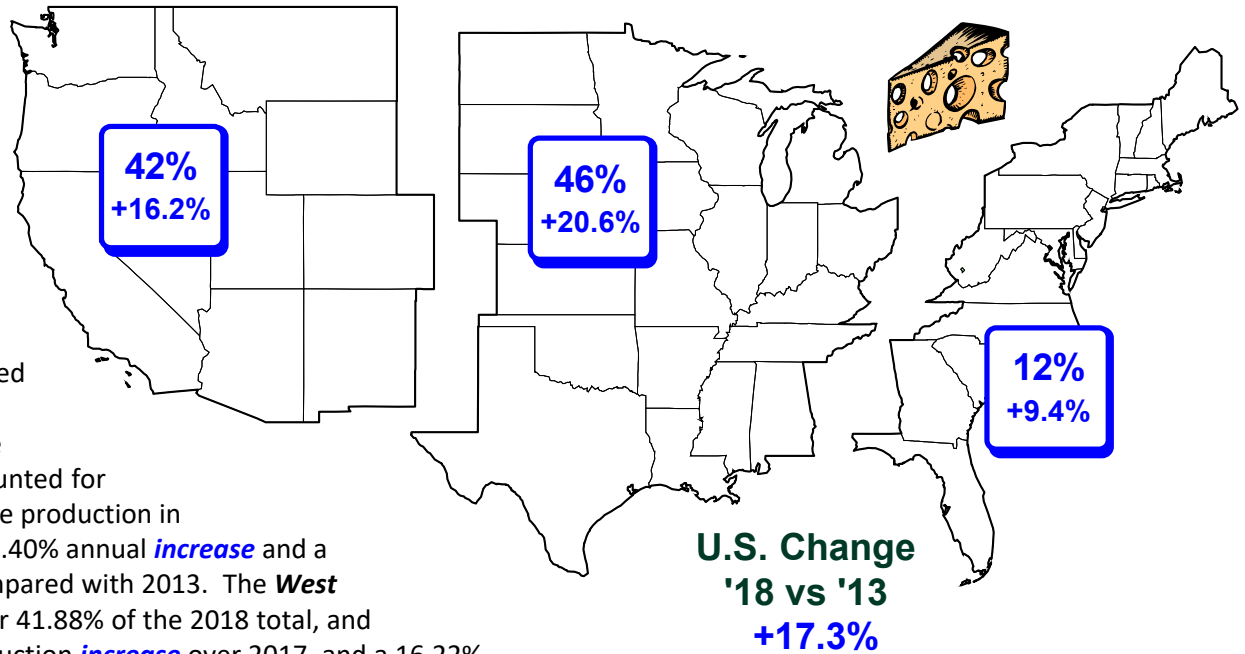
U.S. Change '18 vs '13 +8.1%

Data Source: USDA, NASS; Milk Production, March 2019.

Regional Cheese Production as a Percentage of 2018 Total U.S. Cheese Production with Percentage Change in Production: 2018 vs 2013

U.S. cheese production totaled 13.025 billion pounds during 2018. The 2018 total is an **increase** of 3.04% compared with 2017, and it is 17.32% **greater than** the amount produced in 2013.

As depicted by the map on this page, all three regions recorded **increases** comparing 2018 with 2013. The **Central Region** accounted for 46.07% of U.S. cheese production in 2018, and posted a 2.40% annual **increase** and a 20.64% **increase** compared with 2013. The **West Region** accounted for 41.88% of the 2018 total, and posted a 4.52% production **increase** over 2017, and a 16.22% **increase** compared with 2013. The **Atlantic Region** accounted for 12.06% of the U.S. total in 2018, and this region's cheese production **increased** by 0.51% versus the previous year, and **increased** 9.41% comparing 2018 with 2013.



Data Source: USDA, NASS; Dairy Products 2015 Summary, May 2019.

The Central Region has accounted for the largest proportion of cheese production each year since 2008, but its share decreased in 2018 for the first time since 2014. The West Region accounts for the second largest proportion, and its share increased in 2018 for the first time in the last four years. The Atlantic Region's share has decreased in 16 of the past 19 years.

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

	Atlantic	Central	West	Total
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
2016	1,516,589	5,493,291	5,171,663	12,181,543
2017	1,562,164	5,859,451	5,218,347	12,639,962
2018	1,570,142	6,000,228	5,454,217	13,024,587

As a Percent of Total Production

	Atlantic	Central	West
2013	12.93	44.80	42.27
2014	12.75	43.99	43.26
2015	12.50	44.70	42.80
2016	12.45	45.10	42.45
2017	12.36	46.36	41.28
2018	12.06	46.07	41.88

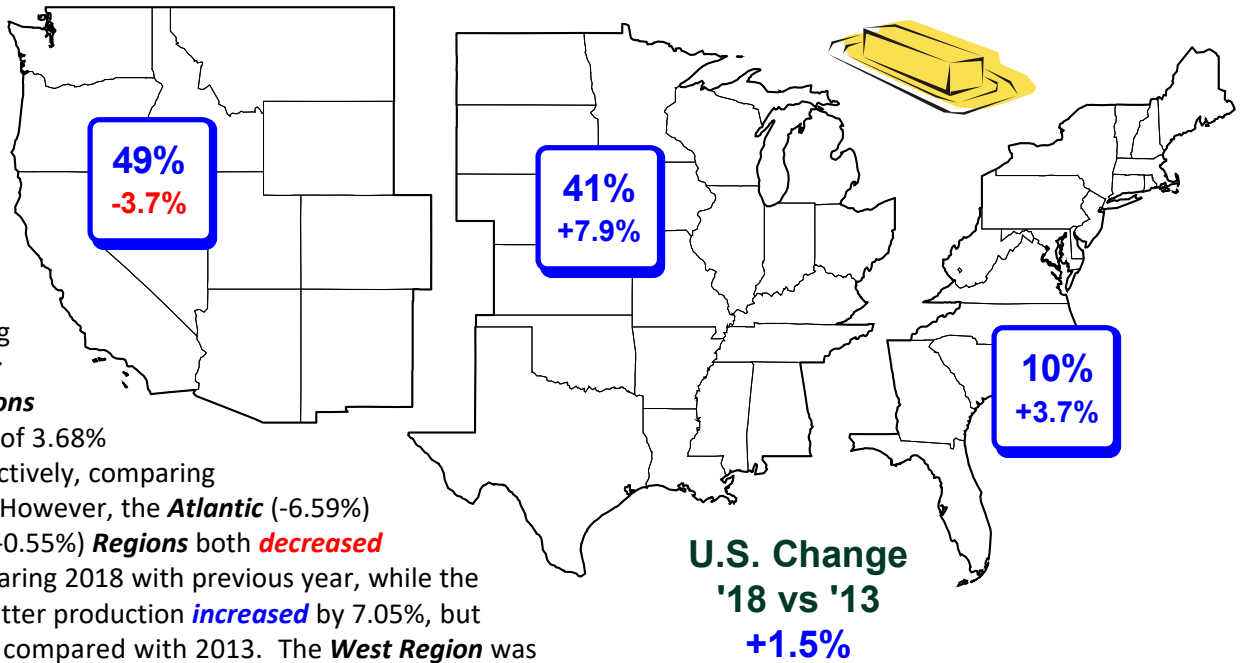


Regional Butter Production as a Percentage of 2018 Total U.S. Butter Production with Percentage Change in Production: 2018 vs 2013

U.S. butter production **increased** 1.53%, comparing 2018 with 2013.

Butter production totaled 1.891 billion pounds during 2018 -- **up** 2.36% from 2017.

As depicted by the accompanying map, the **Atlantic** and **Central Regions** posted **increases** of 3.68% and 7.89%, respectively, comparing 2018 with 2013. However, the **Atlantic** (-6.59%) and the **Central** (-0.55%) **Regions** both **decreased** production comparing 2018 with previous year, while the **West Region's** butter production **increased** by 7.05%, but was down 3.64% compared with 2013. The **West Region** was the largest butter producer in 2018, accounting for 49.00% of the U.S. total, followed by the **Central Region** with 41.12%. The **Atlantic Region** accounted for just 9.88% of the 2018 U.S. total.



Data Source: USDA, NASS; Dairy Products 2015 Summary, May 2019.

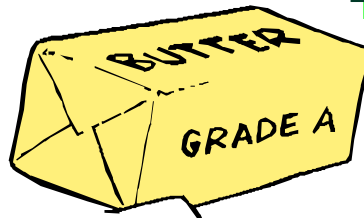
Total U.S. Butter Production By Region (thousand lbs.)

	Atlantic	Central	West	Total
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
2016	188,612	756,210	894,577	1,839,399
2017	200,011	781,854	865,608	1,847,473
2018	186,822	777,584	926,601	1,891,007

As a Percent of Total Production

	Atlantic	Central	West
2013	9.67	38.70	51.63
2014	9.88	39.95	50.17
2015	10.53	39.43	50.04
2016	10.26	41.11	48.63
2017	10.83	42.32	46.85
2018	9.88	41.12	49.00

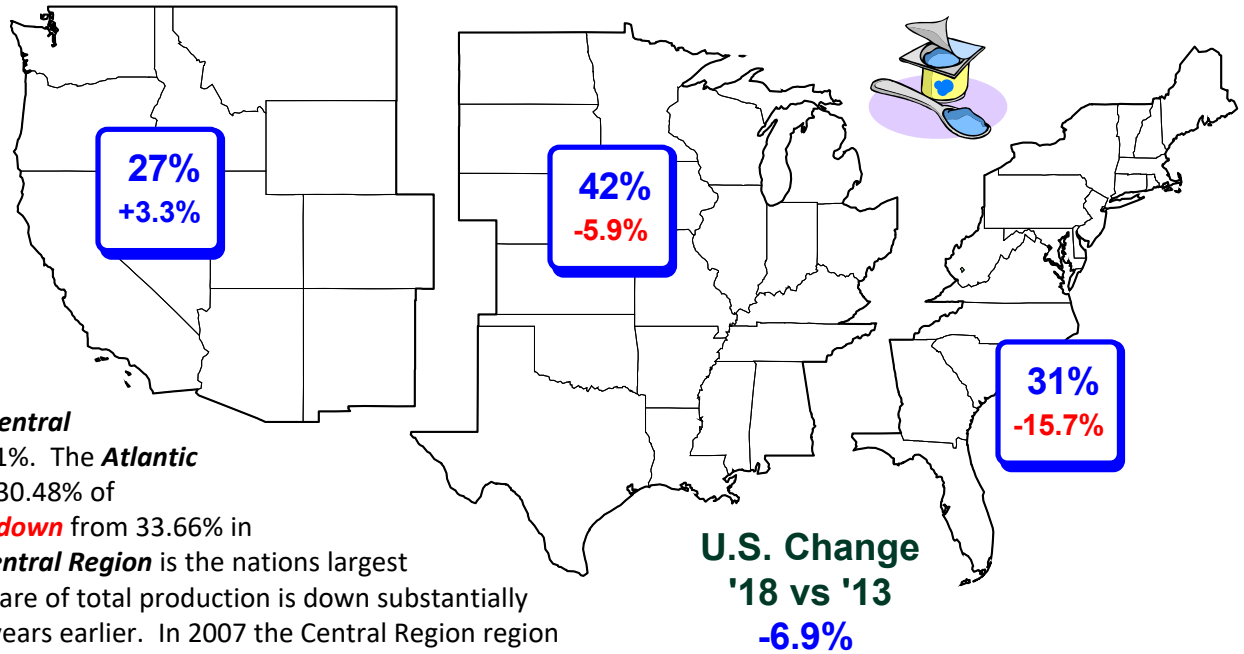
During the last 16 years the Central Region's share of U.S. butter production ranged from a high of 47.89% in 2002 to a low of 36.66% in 2010, and has declined in 11 of the last 16 years. After increasing during each of the previous two years, the Central's share declined to 41.12% in 2018. The West Region increased its proportion from 41.09% in 2002 to 53.93% in 2010, and its share has been the largest each year since 2006. The West's share increased to 49.00% in 2018, after falling in six of the previous seven years. The Atlantic Region accounted for just 9.88% of total production during 2018.



U.S. yogurt production **decreased** by 6.93% comparing 2018 with 2013. Yogurt production totaled 4.388 billion pounds during 2018 -- **down** 2.01% compared with 2017.

Two of the three regions **decreased** production comparing 2018 with 2013 – the **Atlantic** with a 15.72% loss, and the **Central** with a decrease of 5.91%. The **Atlantic Region** accounted for 30.48% of the U.S. total in 2018, **down** from 33.66% in 2013. Although the **Central Region** is the nations largest yogurt producer, its share of total production is down substantially compared with a few years earlier. In 2007 the Central Region region produced 52.47% of the U.S. total, while it accounted for 42.10% in 2018. The **West Region** **increased** yogurt production by 3.31% comparing 2018 with 2013, but 2018 production was 5.98% less than 2017. This Region accounted for 27.41% of total U.S. yogurt production in 2018.

Regional Yogurt Production as a Percentage of 2018 Total U.S. Yogurt Production with Percentage Change in Production: 2018 vs 2013



Data Source: USDA, NASS; Dairy Products 2015 Summary, May 2019.

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

	Atlantic	Central	West	Total
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
2016	1,282,935	1,977,551	1,197,913	4,458,399
2017	1,355,387	1,843,317	1,279,500	4,478,204
2018	1,337,616	1,847,512	1,202,960	4,388,088

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 30.48%. The West Region's share decreased for the first time since 2015, after increasing in four of the previous five years. The Central Region's proportion increased to 42.10% in 2018, but remains substantially below the 52.47% recorded in 2007.

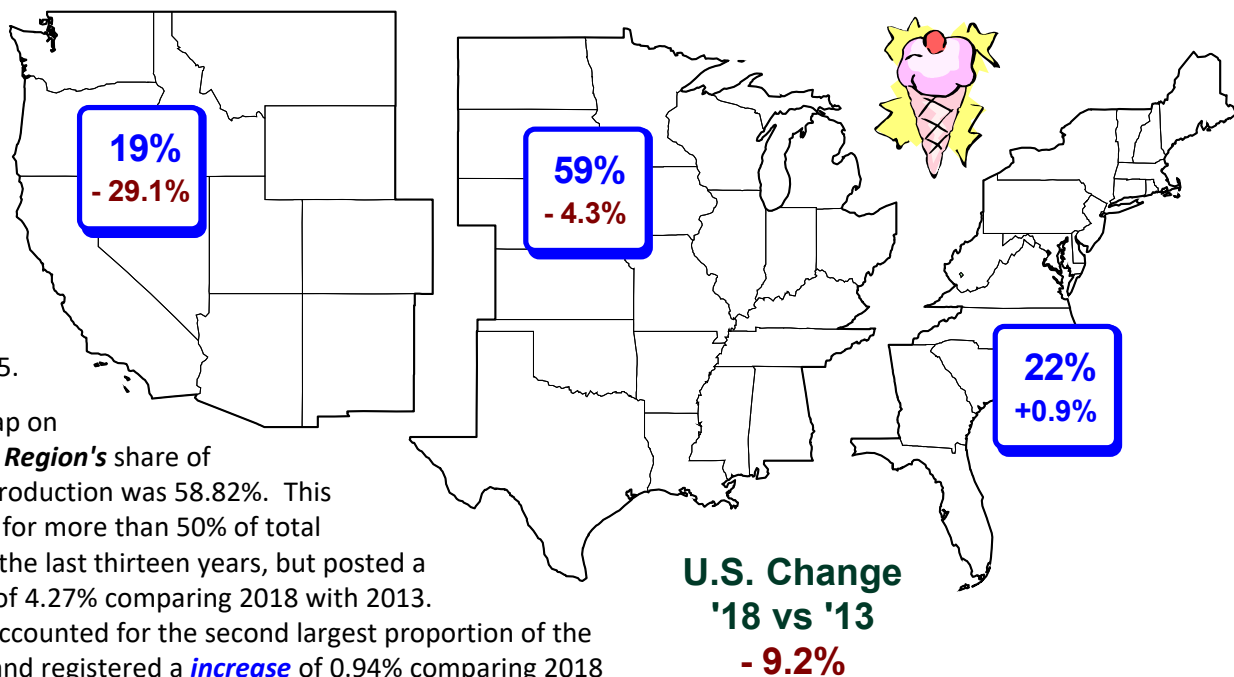
As a Percent of Total Production

	Atlantic	Central	West
2013	33.66	41.64	24.70
2014	30.18	43.27	26.55
2015	30.70	43.74	25.56
2016	28.78	44.35	26.87
2017	30.27	41.16	28.57
2018	30.48	42.10	27.41



U.S. ice cream production* **decreased** by 9.20% comparing 2018's total with the 0.791 billion gallons produced in 2013. Ice cream production totaled 0.719 billion gallons during 2018, **down** 1.73% from the previous year. Yearly ice cream production has increased only three times since 2005.

Regional Ice Cream Production* as a Percentage of 2018 Total U.S. Ice Cream Production with Percentage Change in Production: 2018 vs 2013



As depicted by the map on this page, the **Central Region's** share of 2018 U.S. ice cream production was 58.82%. This region has accounted for more than 50% of total yearly production for the last thirteen years, but posted a production **decrease** of 4.27% comparing 2018 with 2013. The **Atlantic Region** accounted for the second largest proportion of the U.S. total at 22.36%, and registered a **increase** of 0.94% comparing 2018 with 2013. The **West Region** posted the largest percentage **decrease**, with production **declining** 29.10% between 2013 and 2018. This region accounted for the smallest production share with 18.82% of the 2018 U.S. total.

Data Source: USDA, NASS; Dairy Products 2015 Summary, May 2019.

Total U.S. Ice Cream Production *

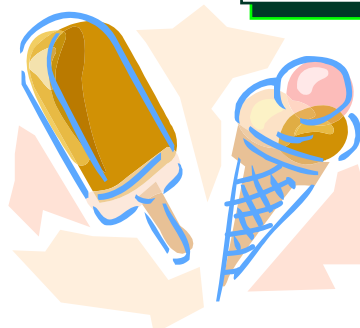
By Region (thousand gallons)

	Atlantic	Central	West	Total
2013	159,179	441,468	190,715	791,362
2014	153,330	424,415	189,337	767,082
2015	172,457	411,813	190,942	775,212
2016	172,032	420,463	188,668	781,163
2017	163,715	429,482	137,965	731,162
2018	160,679	422,628	135,225	718,532

As a Percent of Total Production

	Atlantic	Central	West
2013	20.11	55.79	24.10
2014	19.99	55.33	24.68
2015	22.08	52.97	24.96
2016	22.02	53.83	24.15
2017	22.39	58.74	18.87
2018	22.36	58.82	18.82

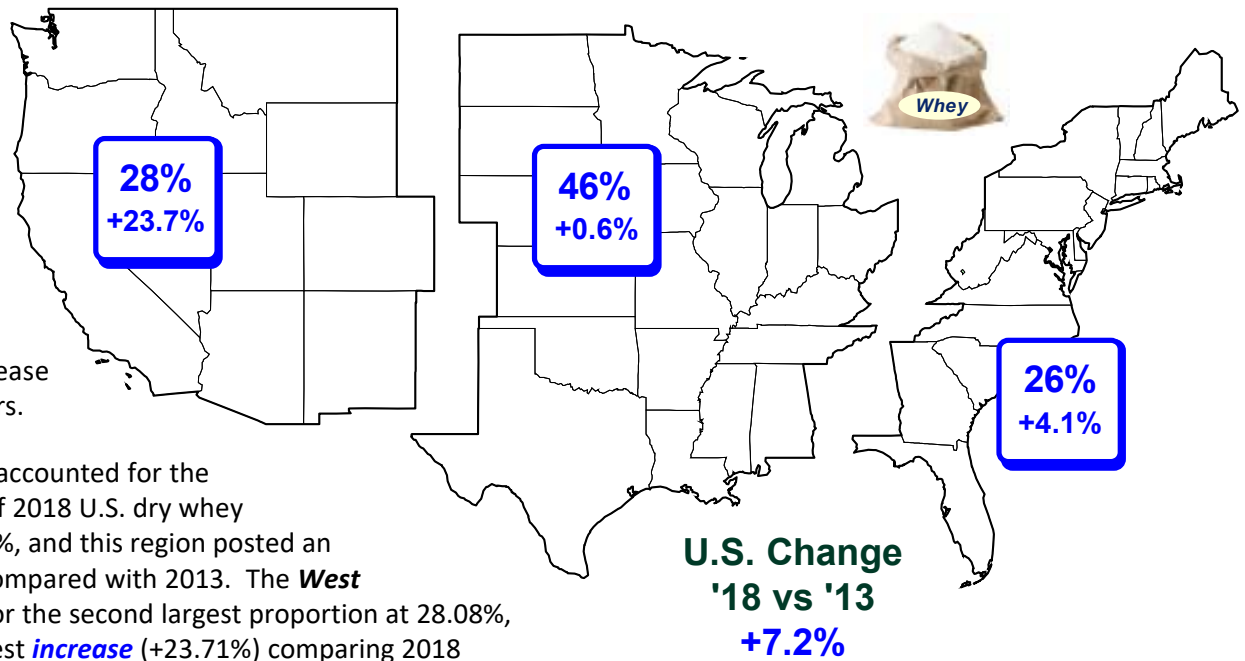
U.S. regular (hard) ice cream production has declined in 12 of the last 16 years. The Central Region's share of the 2018 total was 58.82%, and this region has accounted for more than 50% of total U.S. ice cream production each year since 2006. After decreasing for 12 consecutive years, the Atlantic Region's proportion of total production has remained relatively constant since 2015. The West Region's 2017 & 2018 production was substantially below prior year levels.



* Regular (hard) ice cream production.

U.S. dry whey production* **increased** by 7.16% comparing 2018's total with the 0.916 billion pounds produced in 2013. Dry whey production totaled 0.982 billion pounds during 2018, **down** 2.53% from 2017. The 2018 **decrease** was the sixth year-over-year decrease in the last eight years.

Regional Whey Production as a Percentage of 2018 Total U.S. Whey Production with Percentage Change in Production: 2018 vs 2013



The **Central Region** accounted for the largest proportion of 2018 U.S. dry whey production at 45.69%, and this region posted an **increase** of 0.60% compared with 2013. The **West Region** accounted for the second largest proportion at 28.08%, and posted the largest **increase** (+23.71%) comparing 2018 with 2013. The **Atlantic Region** posted the second largest percentage **increase** (+4.07%) comparing 2018 with 2013, and production has increased in six of the last eight years. This region accounted for 26.22% of 2018 U.S. dry whey production, the smallest proportion among the three regions.

Data Source: USDA, NASS; Dairy Products 2015 Summary, May 2019.

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

	Atlantic	Central	West	Total
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
2016	252,121	450,152	230,193	932,466
2017	251,993	486,768	268,385	1,007,146
2018	257,423	448,554	275,687	981,664

As a Percent of Total Production

	Atlantic	Central	West
2013	27.00	48.67	24.33
2014	29.08	47.58	23.34
2015	27.46	46.20	26.34
2016	27.04	48.27	24.69
2017	25.02	48.33	26.65
2018	26.22	45.69	28.08



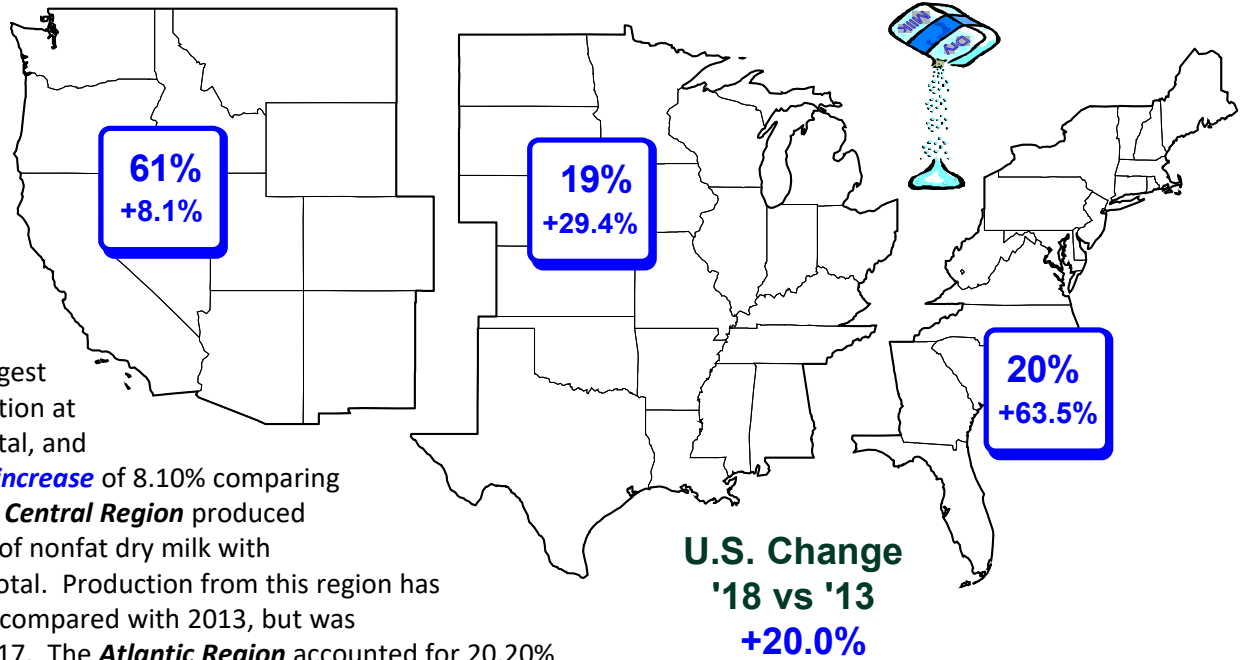
U.S. dry whey (human) production decreased by 2.53% during 2018, and has decreased in six of the last eight years. Production decreased by 7.85% in the Central Region during 2018, while the West (+2.72%) and the Atlantic (+2.15%) Regions posted year-over-year gains. Comparing 2018 with 2013, total U.S. Whey production was up 7.16%, with increases in all three regions. The West had the largest gain with a 23.71% increase, followed by the Atlantic with a 4.07% gain, and the Central with an increase of 0.60%.

* Dry Whey (Human) Production.

Regional NFDM Production as a Percentage of 2018 Total U.S. NFDM Production with Percentage Change in Production: 2018 vs 2013

U.S. nonfat dry milk (NFDM) production **increased** by 20.01%, comparing 2018 with 2013. Production totaled 1.774 billion pounds in 2018, which was a **decrease** of 3.36% compared with 2017.

The **West Region** accounted for the largest proportion of production at 61.09% of the U.S. total, and posted a production **increase** of 8.10% comparing 2018 with 2013. The **Central Region** produced the smallest amount of nonfat dry milk with 18.71% of the 2018 total. Production from this region has **increased** by 29.40% compared with 2013, but was **down** 7.13% from 2017. The **Atlantic Region** accounted for 20.20% of the U.S. total in 2018, with production **increasing** by 63.51% compared with 2013, but was **down** 0.42% versus the 2017 total.



Data Source: USDA, NASS; Dairy Products 2015 Summary, May 2019.

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

	Atlantic	Central	West	Total
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
2016	354,520	341,128	1,056,986	1,752,534
2017	359,715	357,246	1,118,316	1,835,277
2018	358,217	331,782	1,083,541	1,773,540

As a Percent of Total Production

	Atlantic	Central	West
2013	14.82	17.35	67.83
2014	16.35	16.04	67.61
2015	18.26	16.67	65.07
2016	20.23	19.46	60.31
2017	19.60	19.47	60.93
2018	20.20	18.71	61.09



The West has accounted for the largest proportion of total U.S. nonfat dry milk production for many years, although its share declined in five of six years prior to 2018. The West Region's share of the U.S. total increased from 56.2% in 1995 to a peak of 78.9% in 2011. The Atlantic Region's production of nonfat dry milk increased by 123.4% compared with 2011, while the Central's has increased by 142.0% since 2010. These two region's share of total production have increased by 9.6 and 9.9 percentage points, respectively, during these time frames.



**United States
Department of
Agriculture**

FIRST CLASS
U.S. POSTAGE
PAID
OLATHE, 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

**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>
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
2016	38,457	89,870	84,078	212,405	18.11	42.31	39.58
2017	38,665	92,545	84,317	215,527	17.94	42.94	39.12
2018	37,933	93,483	86,158	217,574	17.43	42.97	39.60

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.

**Statistical
Uniform Price**

**Producer Price
Differential**

**Class I
Utilization**

	<u>May '19</u>		<u>Apr '19</u>		<u>May '19</u>		<u>Apr '19</u>	
	<u>May '19</u>	<u>Apr '19</u>	<u>May '19</u>	<u>Apr '19</u>	<u>May '19</u>	<u>Apr '19</u>	<u>May '19</u>	<u>Apr '19</u>
Northeast	17.80	17.34	1.42	1.38	29.89	30.86		
Appalachian	18.93	18.28	---	---	67.14	66.12		
Florida	21.13	20.46	---	---	85.73	85.37		
Southeast	19.24	18.70	---	---	65.83	67.15		
Upper Midwest	16.55	16.11	0.17	0.15	7.28	7.66		
Central	16.62	16.13	0.24	0.17	25.51	26.10		
Mideast	16.94	16.44	0.56	0.48	30.50	33.73		
California	16.93	16.42	0.55	0.46	18.20	20.69		
Pacific Northwest	16.62	16.11	0.24	0.15	18.94	19.48		
Southwest	17.51	17.00	1.13	1.04	28.06	27.95		
Arizona	16.94	16.43	---	---	23.86	24.07		