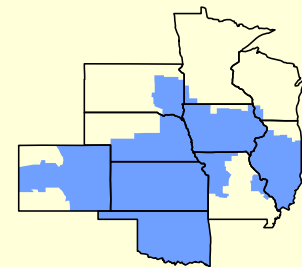


Bulletin



Facilitating the efficient marketing of milk and dairy products.



CENTRAL MARKETING AREA

Where's The Milk ???

Milk production in the United States surpassed 218 billion pounds in 2019, increasing by 0.4% compared with 2018. The 218.4 billion pounds produced in 2019 represents an increase of approximately 0.8 billion pounds over the previous all-time high of 217.6 billion pounds recorded in 2018. Milk production has exceeded prior year levels in 21 of the last 23 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.

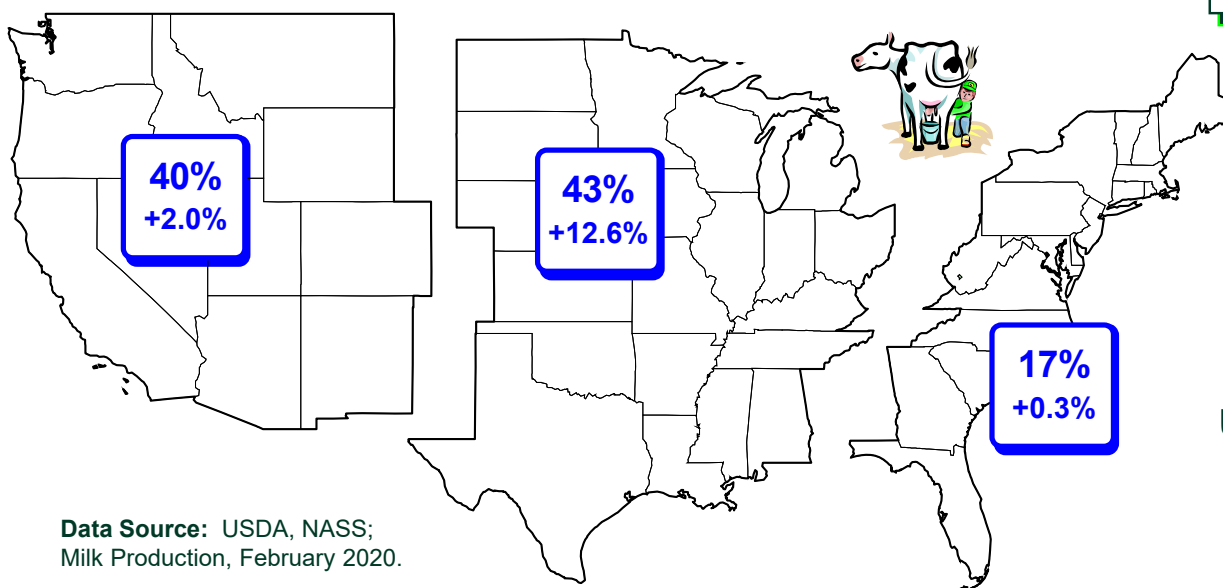


This bulletin addresses the question, "Where's The Milk ?", by examining milk production and dairy product manufacturing on a regional basis. The map graphics and data tables contained in this bulletin depict production of milk, cheese, butter, yogurt, ice cream, dry whey, and nonfat dry milk for the 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 2019 production for the specified product, while the bottom number represents the percentage change in production comparing 2019 with 2014.

Comparing 2019 with 2014, the **Central, West, and Atlantic Regions** *increased* milk production by 12.56%, 1.99%, and 0.29%, respectively. The **Central Region** accounted for 43.22% of total U.S. production, *up* 2.53 percentage points compared with 2014 (40.69%). The **West Region** accounted for 39.73% of U.S. milk production in 2019, which was *down* 1.56 percentage points compared with the proportion in 2014 (41.29%). The **Atlantic Region** accounted for the smallest proportion of the 2019 total at 17.05%, and this proportion was *down* 0.97 percentage points compared with 2014 (18.02%). Milk production data for 2014 through 2019 is on the back page of this bulletin.

U.S. milk production in 2019 increased by 12.3 billion pounds compared with 2014. The additional milk required to meet increased cheese production during the same period was approximately 16.3 billion pounds.

Regional Milk Production as a Percentage of 2019 Total U.S. Milk Production with Percentage Change in Production: 2019 vs 2014



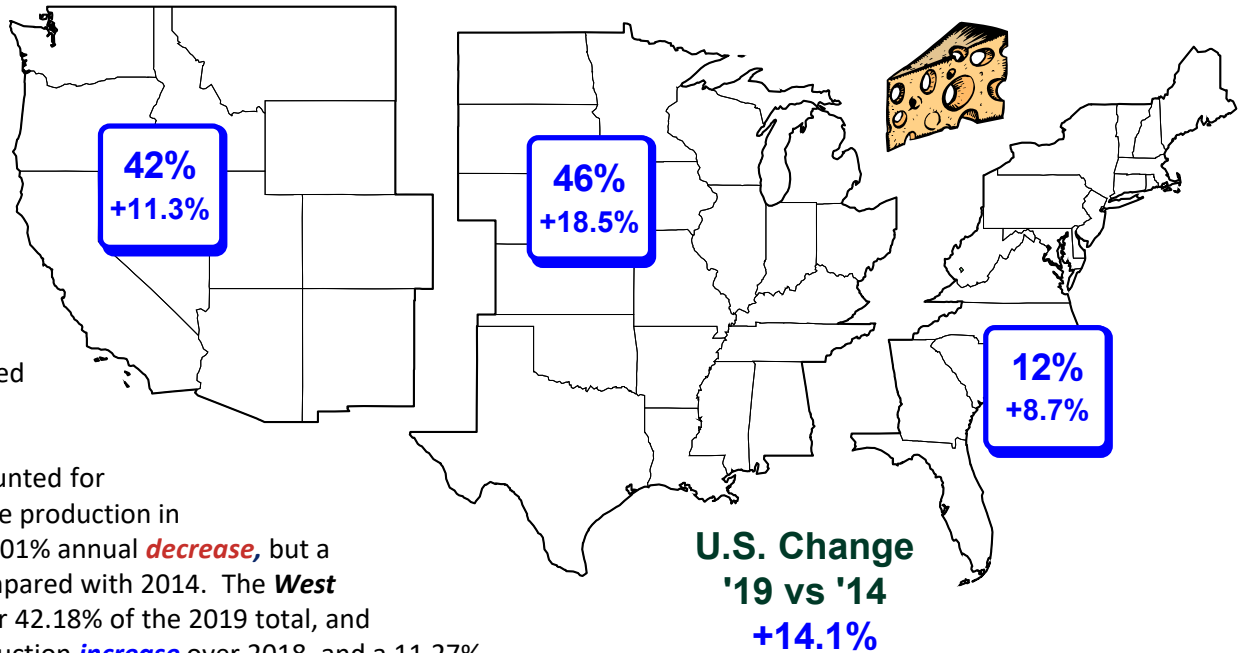
U.S. Change '19 vs '14
+6.0%

Data Source: USDA, NASS; Milk Production, February 2020.

Regional Cheese Production as a Percentage of 2019 Total U.S. Cheese Production with Percentage Change in Production: 2019 vs 2014

U.S. cheese production totaled 13.137 billion pounds during 2019. The 2019 total is an **increase** of 0.77% compared with 2018, and it is 14.12% **greater than** the amount produced in 2014.

As depicted by the map on this page, all three regions recorded **increases** comparing 2019 with 2014. The **Central Region** accounted for 45.67% of U.S. cheese production in 2019 and posted a 0.01% annual **decrease**, but a 18.48% **increase** compared with 2014. The **West Region** accounted for 42.18% of the 2019 total, and posted a 1.60% production **increase** over 2018, and a 11.27% **increase** compared with 2014. The **Atlantic Region** accounted for 12.15% of the U.S. total in 2019, and this region's cheese production **increased** by 0.85% versus the previous year, and **increased** 8.72% comparing 2019 with 2014.



Data Source: USDA, NASS; *Dairy Products 2019 Summary*, April 2020.

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

	Atlantic	Central	West	Total
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	1,582,777	6,000,383	5,454,216	13,037,376
2019	1,596,153	5,999,835	5,541,255	13,137,243

The Central Region has accounted for the largest proportion of cheese production each year since 2008, but its share decreased in 2018 and 2019. The West Region accounts for the second largest proportion, and its share increased in 2018 and 2019. The Atlantic Region's share increased slightly in 2019, after decreasing in 16 of the previous 19 years.

As a Percent of Total Production

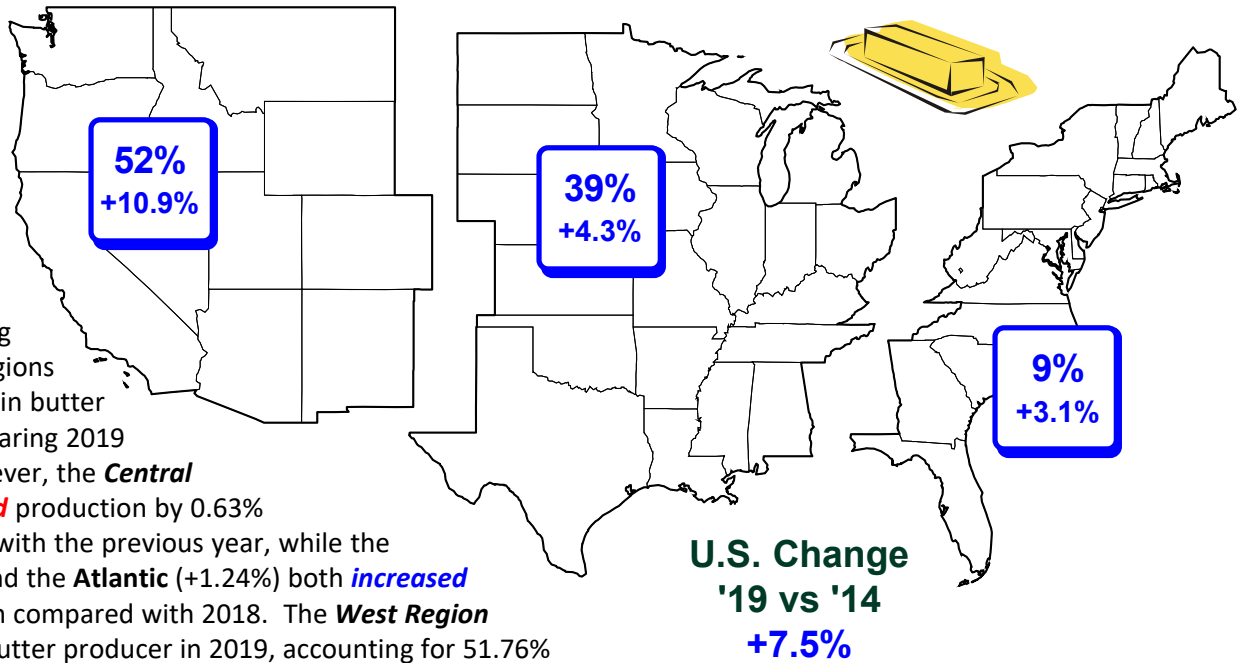
	Atlantic	Central	West
2014	12.75	43.99	43.26
2015	12.50	44.70	42.80
2016	12.45	45.10	42.45
2017	12.36	46.36	41.28
2018	12.14	46.02	41.84
2019	12.15	45.67	42.18



Regional Butter Production as a Percentage of 2019 Total U.S. Butter Production with Percentage Change in Production: 2019 vs 2014

U.S. butter production **increased** 7.48%, comparing 2019 with 2014. Butter production totaled 1.994 billion pounds during 2019 -- **up** 1.31% from 2018.

As depicted by the accompanying map, all three regions posted increases in butter production comparing 2019 with 2014. However, the **Central Region decreased** production by 0.63% comparing 2019 with the previous year, while the **West** (+2.83%) and the **Atlantic** (+1.24%) both **increased** butter production compared with 2018. The **West Region** was the largest butter producer in 2019, accounting for 51.76% of the U.S. total, followed by the **Central Region** with 38.75%. The **Atlantic Region** accounted for just 9.49% of the U.S. total during each of the last two years.



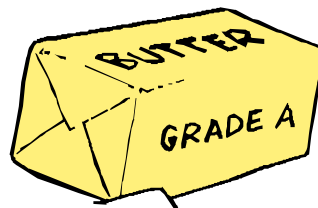
Data Source: USDA, NASS; Dairy Products 2019 Summary, April 2020.

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

	Atlantic	Central	West	Total
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	186,828	777,638	1,003,804	1,968,270
2019	189,149	772,743	1,032,183	1,994,075

As a Percent of Total Production

	Atlantic	Central	West
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	9.49	39.51	51.00
2019	9.49	38.75	51.76

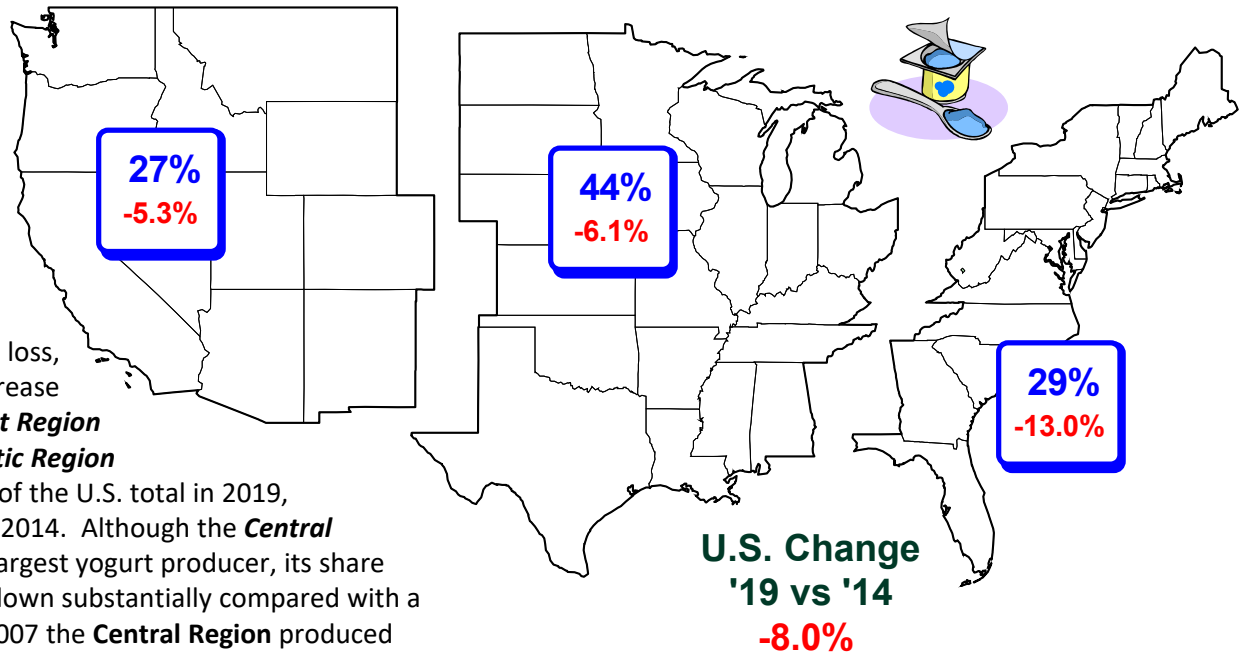


During the last 17 years the Central Region's share of U.S. butter production ranged from a high of 47.89% in 2002 to a low of 36.66% in 2010, and has declined in 12 of the last 17 years. After increasing in 2016 & 2017, the Central's share declined the past two years falling to 38.75% in 2019. The West 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 the past two years to 51.76% in 2019. The Atlantic Region accounted for just 9.49% of total production during 2018.

Regional Yogurt Production as a Percentage of 2019 Total U.S. Yogurt Production with Percentage Change in Production: 2019 vs 2014

U.S. yogurt production **decreased** by 8.00% comparing 2019 with 2014. Yogurt production totaled 4.375 billion pounds during 2019 -- **down** 1.72% compared with 2018.

All regions **decreased** production comparing 2019 with 2014 – the **Atlantic** with a 13.01% loss, the **Central** with a decrease of 6.14%, and the **West Region** down 5.35. The **Atlantic Region** accounted for 28.54% of the U.S. total in 2019, **down** from 30.18% in 2014. Although the **Central Region** is the nation's largest yogurt producer, its share of total production is down substantially compared with a few years earlier. In 2007 the **Central Region** produced 52.47% of the U.S. total, while it accounted for 44.14% in 2019. The **West Region** **decreased** yogurt production by 5.35% comparing 2019 with 2014, and 2019 production was 5.63% less than 2018. This Region accounted for 27.32% of total U.S. yogurt production in 2019.



Data Source: USDA, NASS; Dairy Products 2019 Summary, April 2020.

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

	Atlantic	Central	West	Total
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	1,337,492	1,848,181	1,266,955	4,452,628
2019	1,248,678	1,931,716	1,195,563	4,375,957

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 28.54%. The West Region's share decreased for the second consecutive year, after increasing in four of the previous five years. The Central Region's proportion increased to 44.14% in 2019, but remains substantially below the 52.47% recorded in 2007.

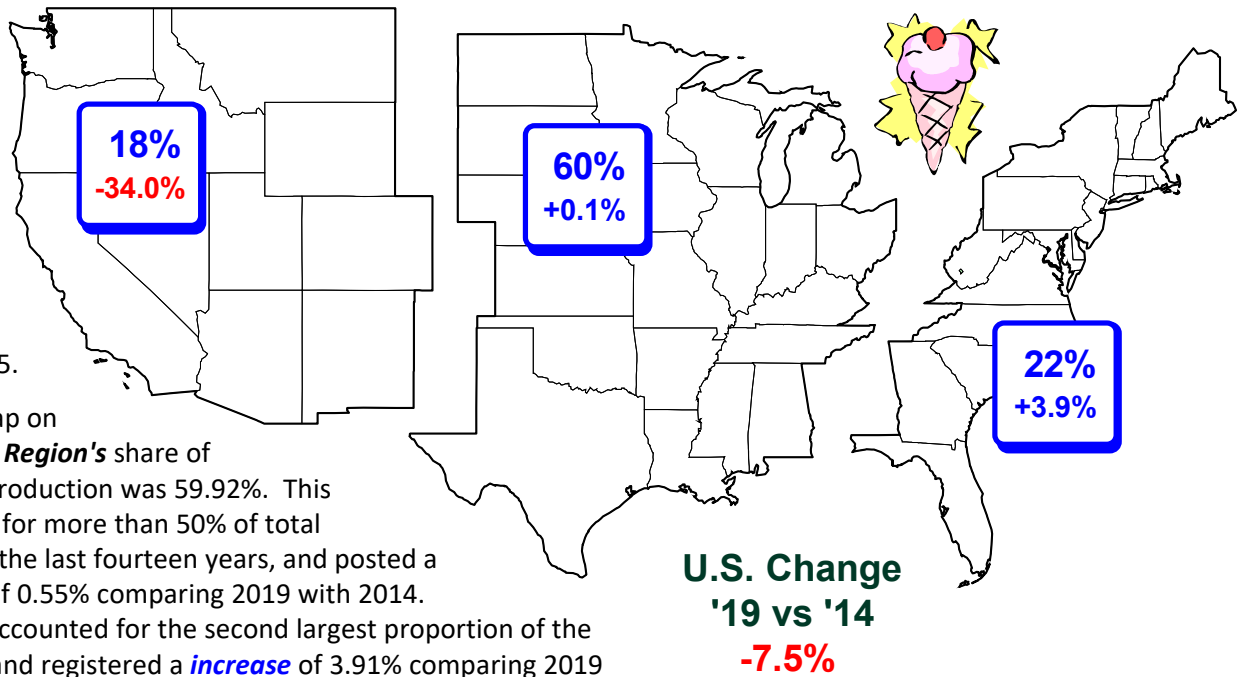
As a Percent of Total Production

	Atlantic	Central	West
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	30.04	41.51	28.45
2019	28.54	44.14	27.32



U.S. ice cream production* **decreased** by 7.55% comparing 2019's total with the 767.1 million gallons produced in 2014. Ice cream production totaled 709.2 million gallons during 2019, **down** 2.34% from the previous year. Yearly ice cream production has increased only three times since 2005.

Regional Ice Cream Production* as a Percentage of 2019 Total U.S. Ice Cream Production with Percentage Change in Production: 2019 vs 2014



As depicted by the map on this page, the **Central Region's** share of 2019 U.S. ice cream production was 59.92%. This region has accounted for more than 50% of total yearly production for the last fourteen years, and posted a production **increase** of 0.55% comparing 2019 with 2014. The **Atlantic Region** accounted for the second largest proportion of the U.S. total at 22.47%, and registered a **increase** of 3.91% comparing 2019 with 2014. The **West Region** posted a large percentage **decrease**, with production **declining 34.03%** between 2014 and 2019. This region accounted for the smallest production share with 17.61% of the 2019 U.S. total.

Data Source: USDA, NASS; Dairy Products 2019 Summary, April 2020.

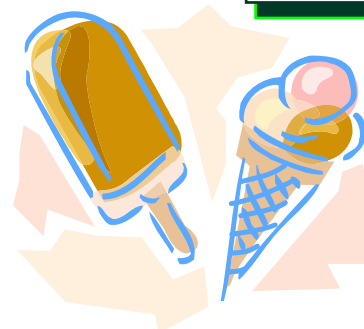
Total U.S. Ice Cream Production * By Region (thousand gallons)

	Atlantic	Central	West	Total
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	160,788	422,648	142,774	726,210
2019	159,320	424,967	124,908	709,195

As a Percent of Total Production

	Atlantic	Central	West
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	22.14	58.20	19.66
2019	22.47	59.92	17.61

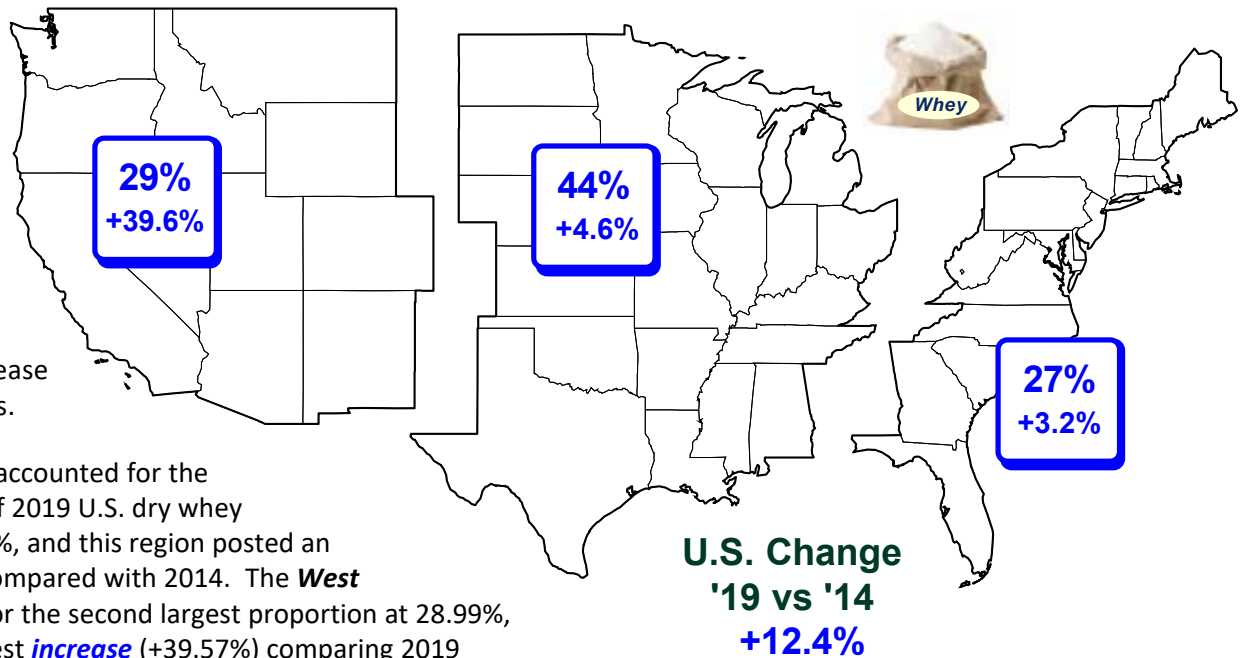
U.S. regular (hard) ice cream production has declined in 13 of the last 17 years. The Central Region's share of the 2019 total was 59.92%, and this region has accounted for more than 50% of total U.S. ice cream production each year since 2006. After decreasing for 12 consecutive years, the Atlantic Region's proportion of total production has remained relatively constant since 2015. The West Region's production has been less than 20% of the U.S. total the last three years.



* Regular (hard) ice cream production.

U.S. dry whey production* **increased** by 12.36% comparing 2019's total with the 0.856 billion pounds produced in 2014. Dry whey production totaled 0.962 billion pounds during 2019, **down** 2.02% from 2018. The 2019 **decrease** was the seventh year-over-year decrease in the last nine years.

Regional Whey Production as a Percentage of 2019 Total U.S. Whey Production with Percentage Change in Production: 2019 vs 2014



The **Central Region** accounted for the largest proportion of 2019 U.S. dry whey production at 44.28%, and this region posted an **increase** of 4.59% compared with 2014. The **West Region** accounted for the second largest proportion at 28.99%, and posted the largest **increase** (+39.57%) comparing 2019 with 2014. The **Atlantic Region** posted the smallest percentage **increase** (+3.25%) comparing 2019 with 2014, and production has increased in six of the last nine years. This region accounted for 26.73% of 2019 U.S. dry whey production, the smallest proportion among the three regions.

Data Source: USDA, NASS; Dairy Products 2019 Summary, April 2020.

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

	Atlantic	Central	West	Total
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
2019	257,040	425,930	278,822	961,792

As a Percent of Total Production

	Atlantic	Central	West
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
2019	26.73	44.28	28.99



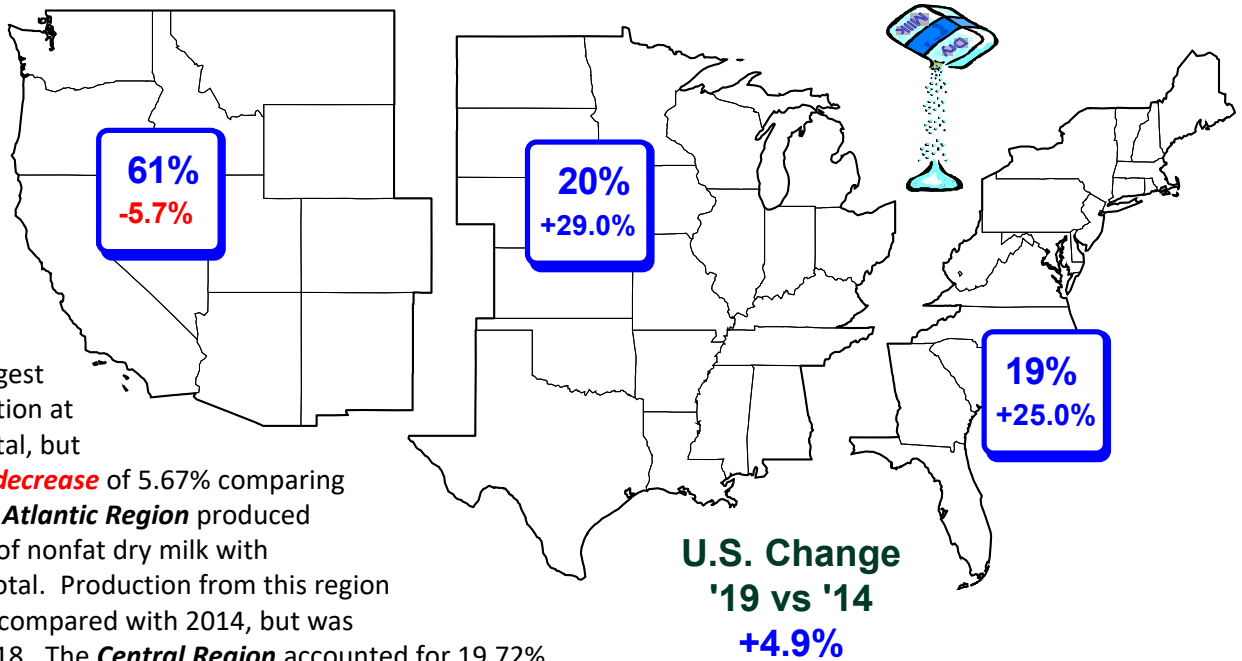
U.S. dry whey (human) production decreased by 2.02% during 2019, and has decreased in seven of the last nine years. Production increased by 1.14% in the West Region during 2019, while the Central (-5.04%) and the Atlantic (-0.15%) Regions posted year-over-year losses. Comparing 2019 with 2014, total U.S. whey production was up 12.36%, with increases in all three regions. The West had the largest gain with a 39.57% increase, followed by the Central with a 4.59% gain, and the Atlantic with an increase of 3.25%.

* Dry Whey (Human) Production.

Regional NFDM Production as a Percentage of 2019 Total U.S. NFDM Production with Percentage Change in Production: 2019 vs 2014

U.S. nonfat dry milk (NFDM) production **increased** by 4.90%, comparing 2019 with 2014. Production totaled 1.851 billion pounds in 2019, which was a **increase** of 4.14% compared with 2018.

The **West Region** accounted for the largest proportion of production at 60.80% of the U.S. total, but posted a production **decrease** of 5.67% comparing 2019 with 2014. The **Atlantic Region** produced the smallest amount of nonfat dry milk with 19.48% of the 2019 total. Production from this region **increased** by 24.99% compared with 2014, but was **down** 0.34% from 2018. The **Central Region** accounted for 19.72% of the U.S. total in 2019, with production **increasing** by 28.97% compared with 2014, and **up** 9.91% versus the 2018 total.



Data Source: USDA, NASS; Dairy Products 2019 Summary, April 2020.

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

	Atlantic	Central	West	Total
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	361,793	332,169	1,083,541	1,777,503
2019	360,571	365,089	1,125,363	1,851,023

As a Percent of Total Production

	Atlantic	Central	West
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	20.35	18.69	60.96
2019	19.48	19.72	60.80



The West has accounted for the largest proportion of total U.S. nonfat dry milk production for many years, although its share declined in six of the last eight years. 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 124.9% compared with 2011, while the Central's has increased by 166.3% since 2010. These two region's share of total production have increased by 8.8 and 10.9 percentage points, respectively, during these time frames.



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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>
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	37,927	93,500	86,141	217,568	17.43	42.98	39.59
2019	37,235	94,379	86,768	218,382	17.05	43.22	39.73

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**Producer Price
Differential**

**Class I
Utilization**

	<u>Nov '20</u>	<u>Oct '20</u>	<u>Nov '20</u>	<u>Oct '20</u>	<u>Nov '20</u>	<u>Oct '20</u>
Northeast	18.27	17.07	-5.07	-4.54	31.23	31.91
Appalachian	19.72	17.82	---	---	76.31	80.77
Florida	21.70	19.65	---	---	82.05	84.39
Southeast	19.66	17.86	---	---	68.89	70.52
Upper Midwest	17.91	17.18	-5.43	-4.43	23.78	24.42
Central	14.84	14.23	-8.50	-7.38	44.02	47.60
Mideast	15.94	14.74	-7.40	-6.87	46.06	46.25
California	13.79	13.88	-9.55	-7.73	23.10	24.23
Pacific Northwest	16.46	15.84	-6.88	-5.77	24.04	23.44
Southwest	14.89	14.23	-8.45	-7.38	37.36	38.35
Arizona	16.04	15.24	---	---	34.17	35.89