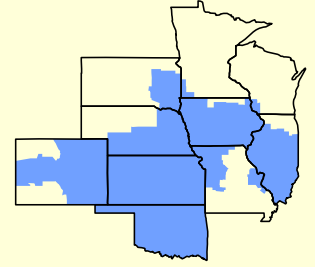


JULY 2021

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 223 billion pounds in 2020, increasing by 2.2% compared with 2019. The 223.2 billion pounds produced in 2020 represents an increase of approximately 4.8 billion pounds over the previous all-time high of 218.4 billion pounds recorded in 2019. Milk production has exceeded prior year levels in 22 of the last 24 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.

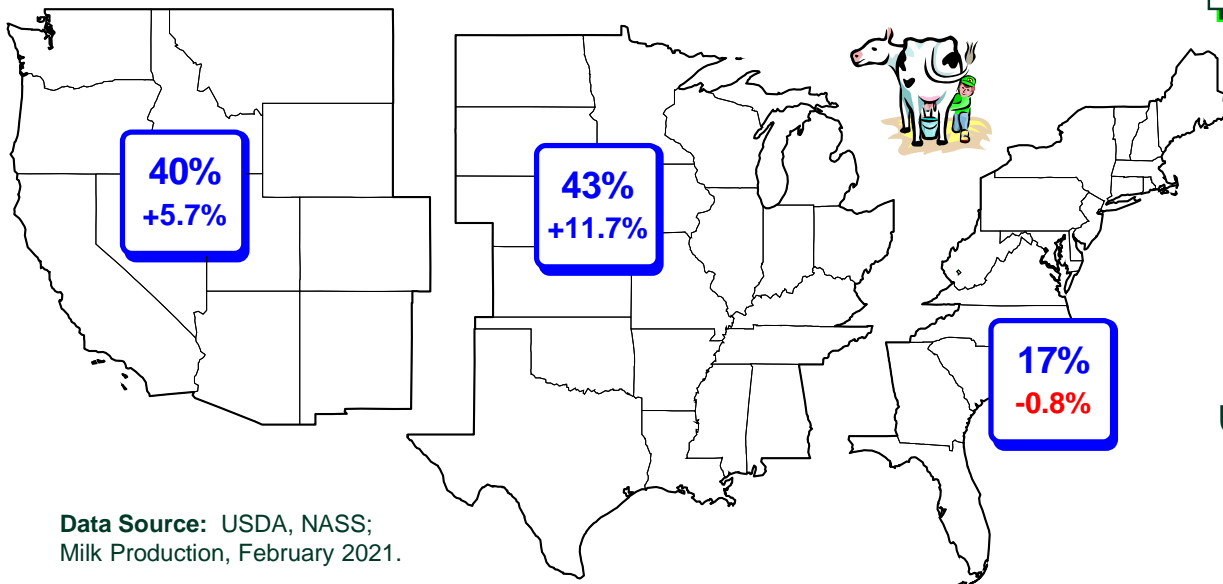


This bulletin addresses the question, "Where's The Milk ?", by examining milk production and dairy product manufacturing on a regional basis. The map graphics and data tables contained in this bulletin depict production of milk, cheese, butter, yogurt, ice cream, dry whey, and nonfat dry milk for the 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 2020 production for the specified product, while the bottom number represents the percentage change in production comparing 2020 with 2015.

Comparing 2020 with 2015, the **Central and West Regions** *increased* milk production by 11.71% and 5.68%, respectively, while the **Atlantic Region** decreased by 0.84%. The **Central Region** accounted for 43.50% of total U.S. production, *up* 1.83 percentage points compared with 2015 (41.67%). The **West Region** accounted for 39.70% of U.S. milk production in 2020, which was *down* 0.50 percentage points compared with the proportion in 2015 (40.20%). The **Atlantic Region** accounted for the smallest proportion of the 2020 total at 16.80%, and this proportion was *down* 1.33 percentage points compared with 2015 (18.13%). Milk production data for 2015 through 2020 is on the back page of this bulletin.

U.S. milk production in 2020 increased by 14.6 billion pounds compared with 2015. The additional milk required to meet increased cheese production during the same period was approximately 14.2 billion pounds.

Regional Milk Production as a Percentage of 2020 Total U.S. Milk Production with Percentage Change in Production: 2020 vs 2015



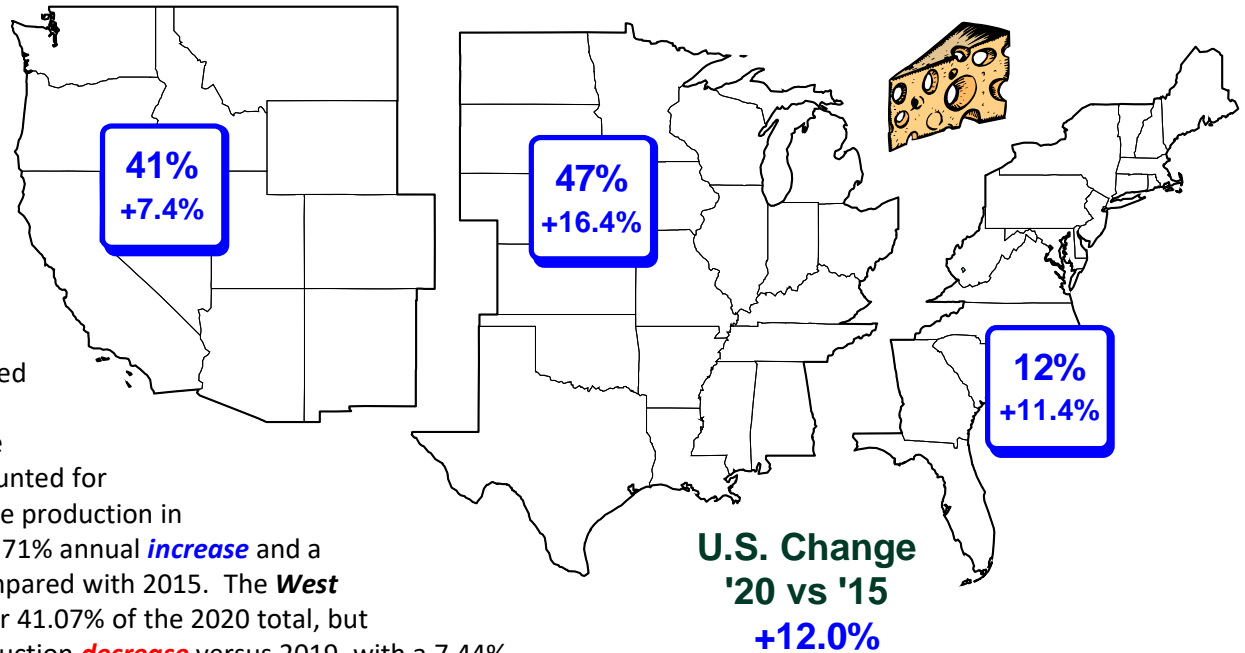
U.S. Change '20 vs '15 +7.0%

Data Source: USDA, NASS; Milk Production, February 2021.

Regional Cheese Production as a Percentage of 2020 Total U.S. Cheese Production with Percentage Change in Production: 2020 vs 2015

U.S. cheese production totaled 13.253 billion pounds during 2020. The 2020 total is an **increase** of 0.88% compared with 2019, and it is 11.95% **greater than** the amount produced in 2015.

As depicted by the map on this page, all three regions recorded **increases** comparing 2020 with 2015. The **Central Region** accounted for 46.49% of U.S. cheese production in 2020 and posted a 2.71% annual **increase** and a 16.43% **increase** compared with 2015. The **West Region** accounted for 41.07% of the 2020 total, but posted a 1.79% production **decrease** versus 2019, with a 7.44% **increase** compared with 2015. The **Atlantic Region** accounted for 12.44 of the 2020 U.S. total, and this region's cheese production **increased** by 3.33% versus the previous year, and **increased** 11.38% comparing 2020 with 2015.



Data Source: USDA, NASS; *Dairy Products 2020 Summary*, April 2021.

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

	Atlantic	Central	West	Total
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	1,595,969	5,998,535	5,542,782	13,137,286
2020	1,649,060	6,160,868	5,443,495	13,253,423

The Central Region has accounted for the largest proportion of cheese production each year since 2008, and its share increased in 2020 after decreasing in 2018 & 2019. The West Region accounts for the second largest proportion, and its share increased in 2018 and 2019, but declined in 2020. The Atlantic Region's share increased in 2019 & 2020, after decreasing in 16 of the previous 19 years.

As a Percent of Total Production

	Atlantic	Central	West
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	45.66	42.19
2020	12.44	46.49	41.07

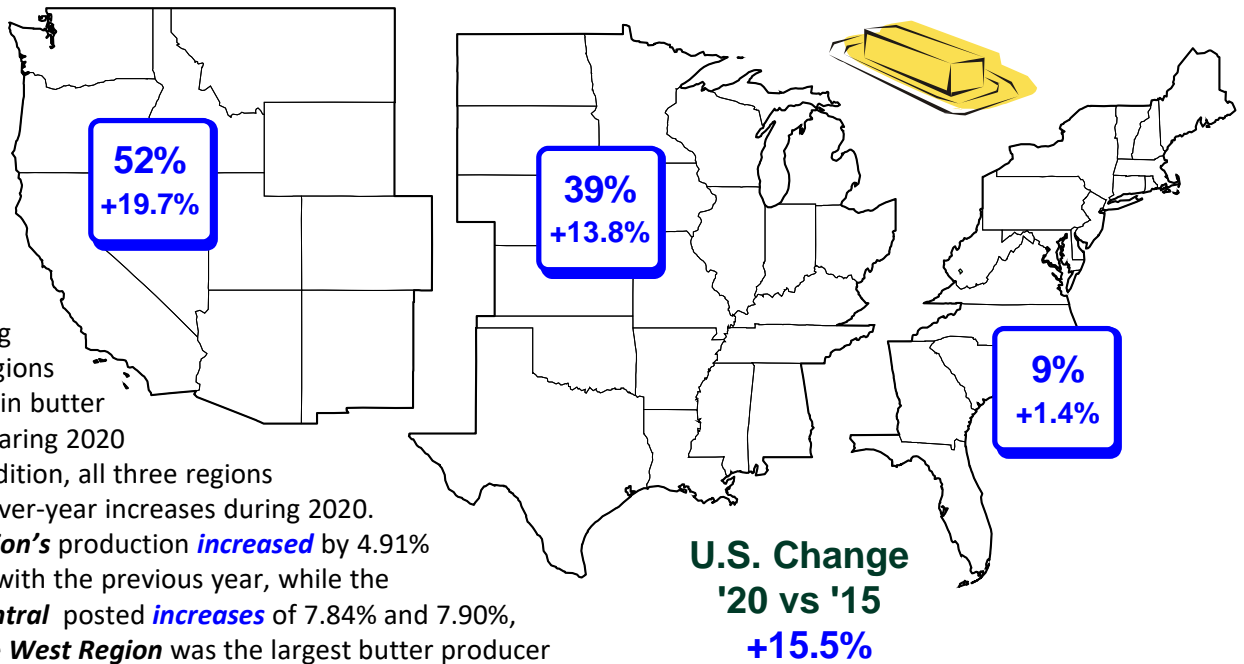


Regional Butter Production as a Percentage of 2020 Total U.S. Butter Production with Percentage Change in Production: 2020 vs 2015

U.S. butter production **increased 15.48%**, comparing 2020 with 2015.

Butter production totaled 2.145 billion pounds during 2020 -- **up 7.59%** from 2019.

As depicted by the accompanying map, all three regions posted increases in butter production comparing 2020 with 2015. In addition, all three regions registered year-over-year increases during 2020. The **Atlantic Region's** production **increased** by 4.91% comparing 2020 with the previous year, while the **West** and the **Central** posted **increases** of 7.84% and 7.90%, respectively. The **West Region** was the largest butter producer in 2020, accounting for 51.88% of the U.S. total, followed by the **Central Region** with 38.87%. The **Atlantic Region** accounted for just 9.25% of the U.S. total in 2020, and its share has been below 10% during each of the last three years.



Data Source: USDA, NASS; Dairy Products 2020 Summary, April 2021.

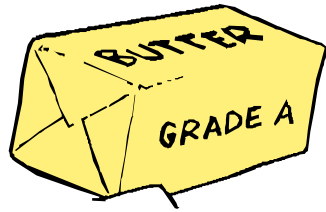
Total U.S. Butter Production By Region (thousand lbs.)

	Atlantic	Central	West	Total
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	189,180	772,745	1,032,183	1,994,108
2020	198,462	833,801	1,113,123	2,145,386

As a Percent of Total Production

	Atlantic	Central	West
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
2020	9.25	38.87	51.88

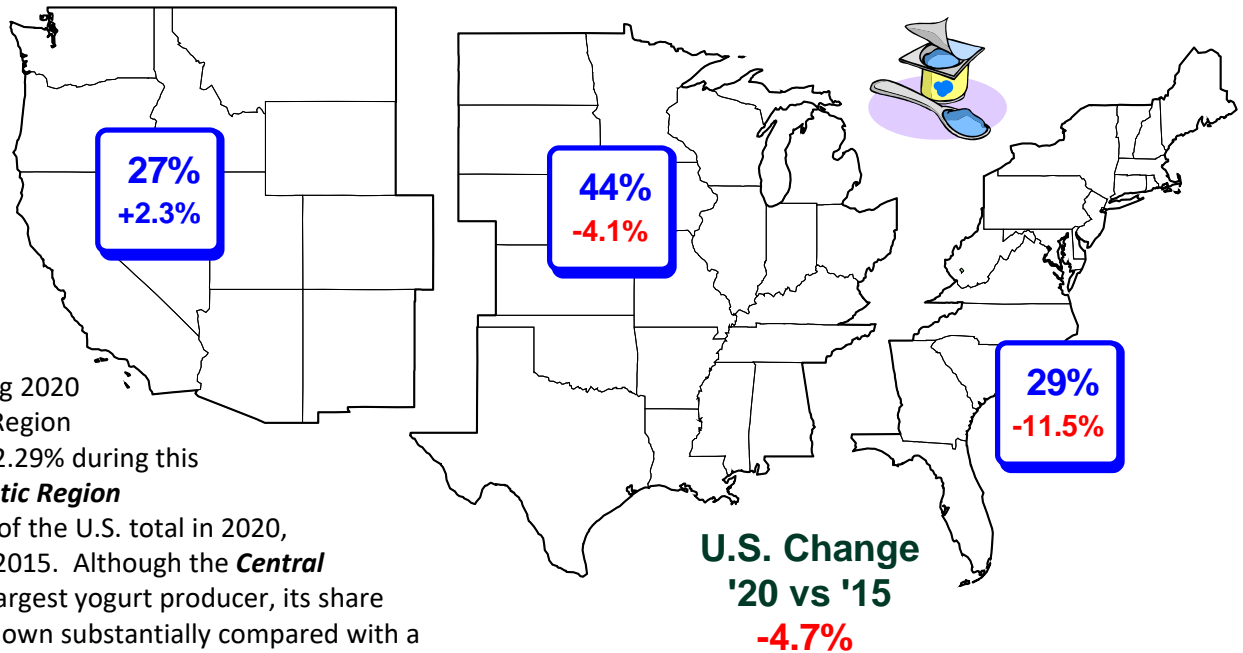
During the last 18 years the Central Region's share of U.S. butter production ranged from a high of 47.89% in 2002 to a low of 36.66% in 2010, and has declined in 12 of the last 18 years. After increasing in 2016 & 2017, the Central's share declined in 2018 and 2019 before increasing marginally in 2020. 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 three years to 51.88% in 2020. The Atlantic Region accounted for just 9.25% of total production during 2020.



Regional Yogurt Production as a Percentage of 2020 Total U.S. Yogurt Production with Percentage Change in Production: 2020 vs 2015

U.S. yogurt production **decreased** by 4.72% comparing 2020 with 2015. However, annual yogurt production increased during 2020, totaling 4.518 billion pounds, an **increase** of 3.21% compared with 2019.

The **Atlantic and Central Regions** decreased production by 11.50% and 4.06%, respectively, comparing 2020 with 2015. The West Region posted an increase of 2.29% during this time frame. The **Atlantic Region** accounted for 28.52% of the U.S. total in 2020, **down** from 30.70% in 2015. 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 44.04% in 2020. The **West Region** accounted for 27.44% of total U.S. yogurt production in 2020, **up** from 25.56% in 2015. This region's share of total yogurt production was slightly above the proportion recorded for the previous year.



Data Source: USDA, NASS; Dairy Products 2020 Summary, April 2021.

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

	Atlantic	Central	West	Total
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	1,248,663	1,931,791	1,197,349	4,377,803
2020	1,288,491	1,989,970	1,239,945	4,518,406

As a Percent of Total Production

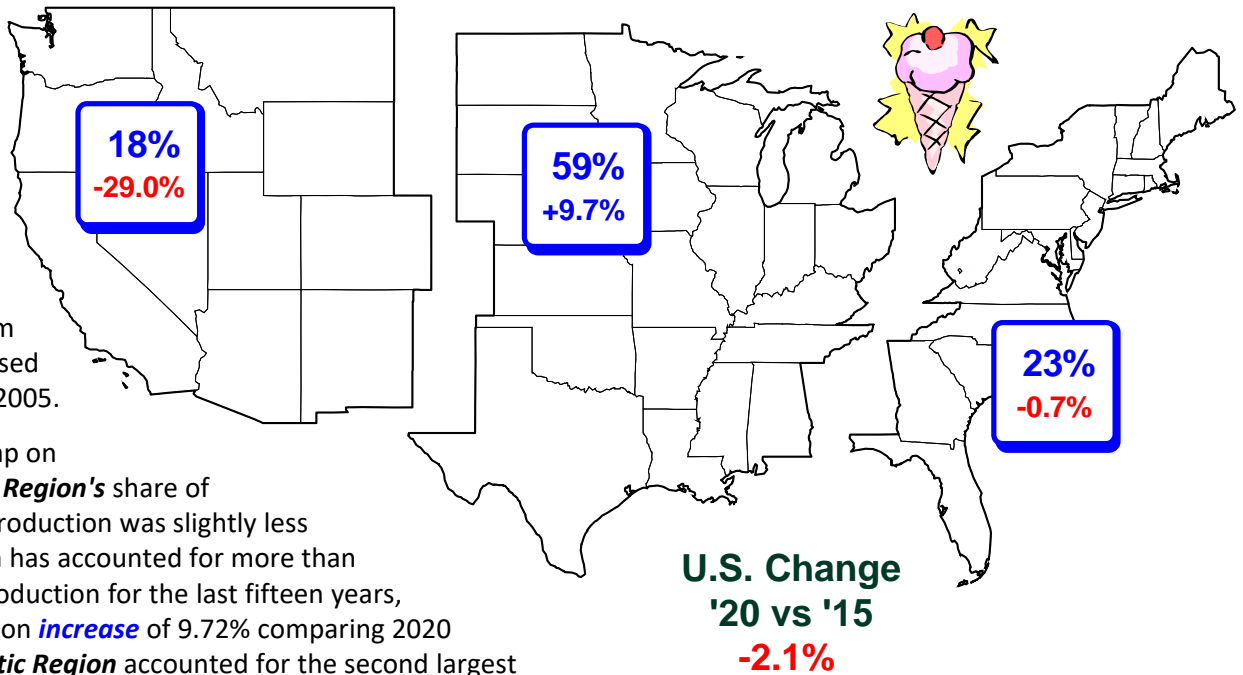
	Atlantic	Central	West
2015	30.70	43.74	25.56
2016	28.78	44.35	26.87
2017	30.27	41.16	28.57
2018	30.04	41.51	28.45
2019	28.52	44.13	27.35
2020	28.52	44.04	27.44

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 28.52%. The West Region's share increased slightly in 2020, after decreasing during the previous two years. The Central Region's proportion remained above 44% in 2020, but it is substantially below the 52.47% recorded in 2007. Although yearly yogurt production increased by 3.21% in 2020, it was 4.72% less the amount produced in 2015.



U.S. ice cream production* **decreased** by 2.13% comparing 2020's total with the 775.2 million gallons produced in 2015. Ice cream production totaled 758.7 million gallons during 2020, **up** 6.95% from the previous year and the largest amount since 2016. Yearly ice cream production has increased only four times since 2005.

Regional Ice Cream Production* as a Percentage of 2020 Total U.S. Ice Cream Production with Percentage Change in Production: 2020 vs 2015



As depicted by the map on this page, the **Central Region's** share of 2020 U.S. ice cream production was slightly less than 60%. This region has accounted for more than 50% of total yearly production for the last fifteen years, and posted a production **increase** of 9.72% comparing 2020 with 2015. The **Atlantic Region** accounted for the second largest proportion of the U.S. total at 22.58%, but registered a **decrease** of 0.67% comparing 2020 with 2015. The **West Region** posted a large percentage **decrease** with production **declining 28.99%** between 2015 and 2020. This region accounted for the smallest production share with 17.87% of the 2020 U.S. total.

Data Source: USDA, NASS; Dairy Products 2020 Summary, April 2021.

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

	Atlantic	Central	West	Total
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	159,399	425,087	124,908	709,394
2020	171,295	451,829	135,587	758,711

As a Percent of Total Production

	Atlantic	Central	West
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
2020	22.58	59.55	17.87

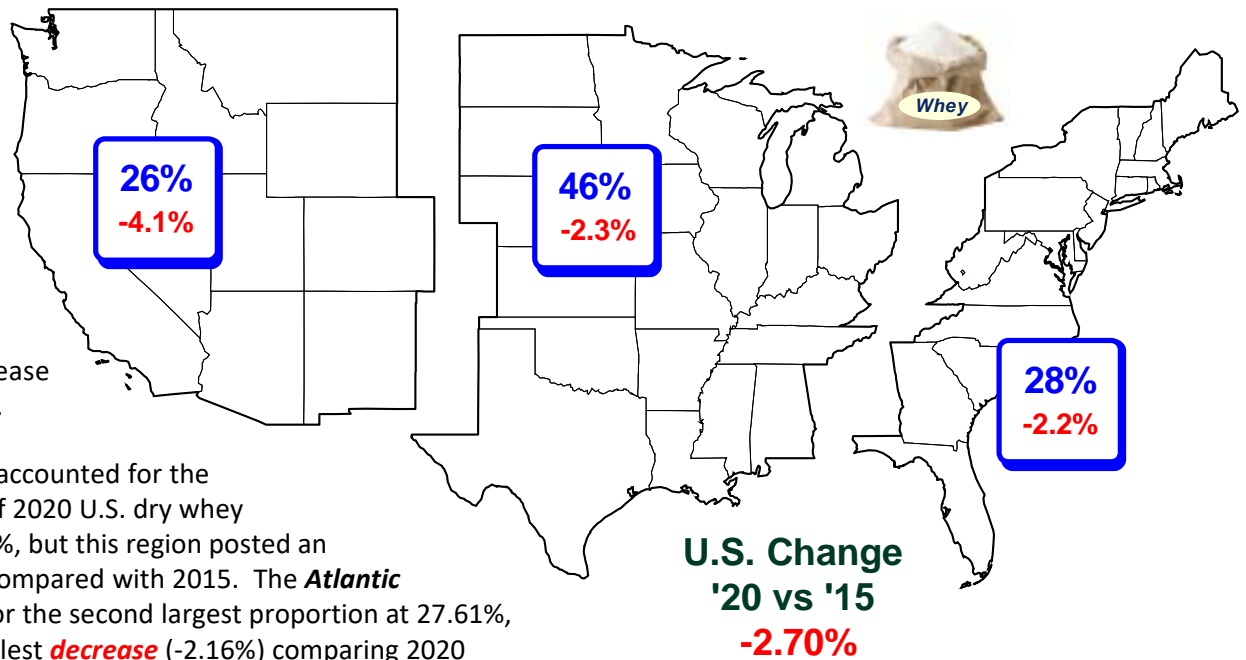
U.S. regular (hard) ice cream production increased by 6.95% in 2020, after declining in 13 of the previous 17 years. The Central Region's share of the 2020 total was 59.55%, and this region has accounted for more than 50% of total U.S. ice cream production each year since 2006. After decreasing for 12 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 four years.



* Regular (hard) ice cream production.

U.S. dry whey production* **decreased** by 2.70% comparing 2020's total with the 0.958 billion pounds produced in 2015. Dry whey production totaled 0.932 billion pounds during 2020, **down** 3.07% from 2019. The 2020 **decrease** was the eighth year-over-year decrease in the last ten years.

Regional Whey Production as a Percentage of 2020 Total U.S. Whey Production with Percentage Change in Production: 2020 vs 2015



The **Central Region** accounted for the largest proportion of 2020 U.S. dry whey production at 46.41%, but this region posted an **decrease** of 2.25% compared with 2015. The **Atlantic Region** accounted for the second largest proportion at 27.61%, and posted the smallest **decrease** (-2.16%) comparing 2020 with 2015. Prior to 2020, production in this region had increased in six of the previous nine years. The **West Region** posted the largest percentage **decrease** (-4.06%) comparing 2020 with 2015. This region accounted for 25.98% of 2020 U.S. dry whey production, the smallest proportion among the three regions.

Data Source: USDA, NASS; Dairy Products 2020 Summary, April 2021.

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

	Atlantic	Central	West	Total
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
2020	257,409	432,675	242,158	932,242

As a Percent of Total Production

	Atlantic	Central	West
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
2020	27.61	46.41	25.98



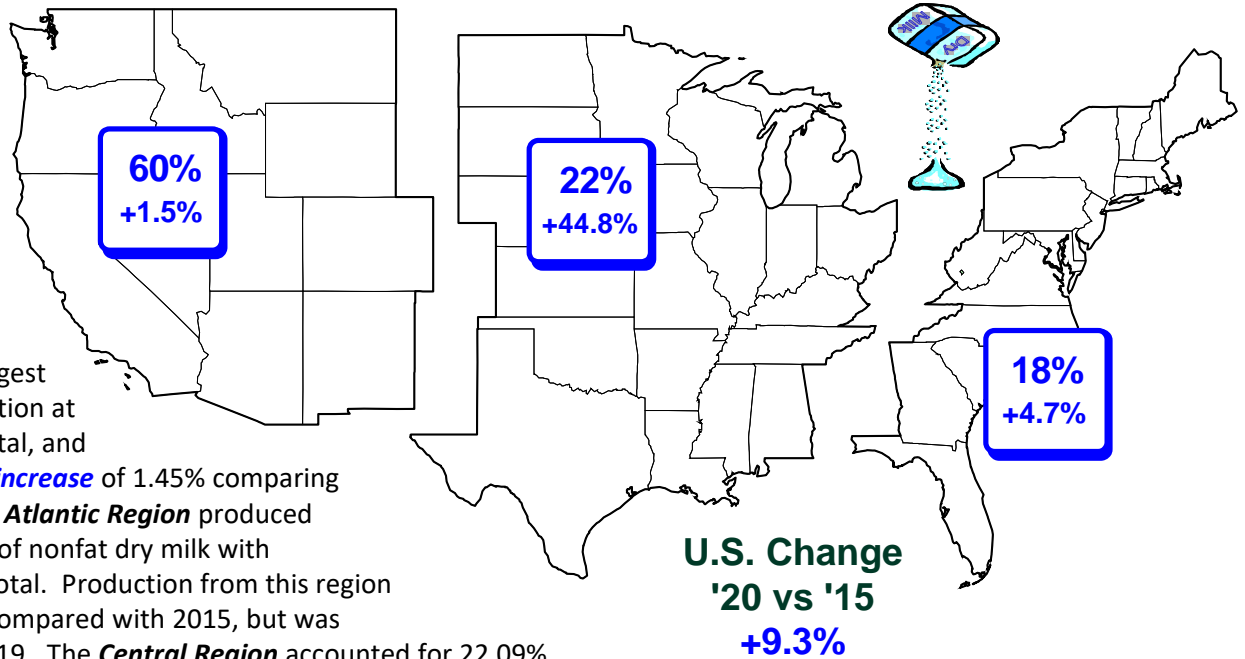
U.S. dry whey (human) production decreased by 3.07% during 2020, and has decreased in eight of the last ten years. Production decreased by 13.15% in the West Region during 2020, while the Central (+1.58%) and the Atlantic (+0.14%) Regions posted year-over-year gains. Comparing 2020 with 2015, total U.S. whey production was down 2.70%, with decreases in all three regions. The West had the largest loss with a 4.06% decrease, followed by the Central with a 2.25% decrease, and the Atlantic with a loss of 2.16%

* Dry Whey (Human) Production.

Regional NFDM Production as a Percentage of 2020 Total U.S. NFDM Production with Percentage Change in Production: 2020 vs 2015

U.S. nonfat dry milk (NFDM) production **increased** by 9.26%, comparing 2020 with 2015. Production totaled 1.991 billion pounds in 2020, which was a **increase** of 7.55% compared with 2019.

The **West Region** accounted for the largest proportion of production at 60.42% of the U.S. total, and posted a production **increase** of 1.45% comparing 2020 with 2015. The **Atlantic Region** produced the smallest amount of nonfat dry milk with 17.49% of the 2020 total. Production from this region **increased** by 4.65% compared with 2015, but was **down** 3.45% from 2019. The **Central Region** accounted for 22.09% of the U.S. total in 2020, with production **increasing** by 44.78% compared with 2015, and **up** 20.47% versus the 2019 total.



Data Source: USDA, NASS; Dairy Products 2020 Summary, April 2021.

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

	Atlantic	Central	West	Total
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	360,658	365,089	1,125,363	1,851,110
2020	348,203	439,820	1,202,912	1,990,935

As a Percent of Total Production

	Atlantic	Central	West
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
2020	17.49	22.09	60.42



The West has accounted for the largest proportion of total U.S. nonfat dry milk production for many years, although its share declined in seven of the last nine 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 117.2% compared with 2011, while the Central's has increased by 220.8% since 2010. These two region's share of total production have increased by 6.8 and 13.3 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>
2015	37,810	86,934	83,853	208,597	18.13	41.67	40.20
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	37,237	94,361	86,838	218,436	17.05	43.20	39.75
2020	37,493	97,110	88,617	223,220	16.80	43.50	39.70

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**Producer Price
Differential**

**Class I
Utilization**

	<u>Jun '21</u>	<u>May '21</u>	<u>Jun '21</u>	<u>May '21</u>	<u>Jun '21</u>	<u>May '21</u>
Northeast	18.50	18.34	1.29	-0.62	28.14	28.90
Appalachian	20.19	19.35	---	---	65.70	67.09
Florida	22.40	21.26	---	---	80.56	79.10
Southeast	20.39	19.52	---	---	64.50	63.80
Upper Midwest	17.38	17.52	0.17	-1.44	14.60	21.59
Central	17.44	16.78	0.23	-2.18	29.96	38.43
Mideast	17.81	17.43	0.60	-1.53	31.21	37.40
California	17.30	16.73	0.09	-2.23	19.13	19.12
Pacific Northwest	17.32	17.26	0.11	-1.70	20.81	21.09
Southwest	18.05	17.32	0.84	-1.64	29.84	31.61
Arizona	17.76	17.25	---	---	27.99	30.24