



U.S. Dairy Industry



Fulfilling Customer Needs from Farm to Table

With an ample and rising milk production capacity and competitive product portfolio, the U.S. dairy industry is well positioned and eager to fulfill the world's expanding appetite for dairy. Throughout the supply chain, from farm families and milk processors to product and ingredient manufacturers, the U.S. dairy industry is fully invested in being a long-term global supply and innovation partner that drives customers' business forward.

U.S. Dairy Farming Today

Advantageous land and resources, along with the adoption of modern and efficient farming practices, secure the United States' position as the world's largest producer of cow's milk. In 2014, the United States had 9.3 million cows and produced 93.4 million metric tons of milk across 50,000 farms. That's three times the milk production volume of New Zealand and Australia combined.

The majority of U.S. dairy farms are family-owned and operated. With generations of experience, U.S. dairy farmers know that healthy, well-tended cows fed a

nutritious diet consistently produce wholesome, high-quality milk. U.S. dairy farmers work closely with animal nutritionists and veterinarians to identify the right mix of feed ingredients to meet cows' nutritional requirements. In turn, the cow's powerful digestive system utilizes these dietary nutrients to produce wholesome, high-quality milk. Minimal season-to-season variance in feed quantity and nutrient composition ensures a steady milk supply throughout the year, in contrast to the cyclical volume typical of dairy cows that graze, as is common in some parts of the world.



DID YOU KNOW

- Milk is produced nationwide across all 50 states. Over half of the volume comes from just five states, California, Wisconsin, Idaho, New York and Pennsylvania.
- U.S. milk production is triple the volume of New Zealand and Australia combined.
- The average U.S. cow produces 10,100 kilograms of milk per year. This compares to per-cow production of about 6,200 kilograms in the European Union, 5,700 kilograms in Australia and 4,300 kilograms in New Zealand.

USDA; 2014 data



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Accelerating Customers' Growth

Ample Growth Capacity

The United States has the land, infrastructure and technological resources in place to continue its expansion of milk production and dairy product offerings. Cumulative growth in U.S. milk production between 2005 and 2014 topped 13 million metric tons, outpacing other supplying regions. With U.S. milk production forecast to rise an additional 2-3% annually through 2017, this upward trajectory assures global customers a reliable, long-term source of wholesome dairy products. This steady future milk and dairy production growth capacity sets the United States apart from constraints that other milk-producing regions experience.

Moreover, this rising growth capacity is backed by the assurance of rigorous quality and safety standards. From stringent farm sanitation to state-of-the-art food manufacturing technology, the U.S. dairy industry carefully controls conditions to deliver world-class products and ingredients to customers. Individual farmer and processor efforts are supplemented by rigorous government oversight to further protect consumers.

The U.S. Dairy industry is committed and eager to fulfill customer needs, both in the United States and overseas.



SUPPLY SECURITY

The U.S. dairy industry delivers supply security through its abundant, expandable resources, year-round production, and its robust capabilities across the supply chain.



LASTING PARTNERSHIPS

U.S. dairy farmers, suppliers and institutions are intent on building meaningful relationships with global customers, based on the principles of commitment, integrity and collaboration.



ACCELERATED GROWTH

The U.S. dairy industry offers a wide variety of products, processes and delivery capabilities that can help accelerate customers' growth and innovation trajectories.

World-Class Product Portfolio

Continuous investments in research and innovation, combined with a long, rich heritage of skilled craftsmanship, support the United States' consistency in delivering high-quality dairy products and ingredients. Here's a sampling of the ever-widening U.S. dairy product portfolio.



CHEESE

The United States is the world's largest manufacturer and exporter of cheese, producing more than 600 delicious varieties.

This includes European-style selections such as cheddar and mozzarella alongside American Originals such as monterey jack, colby and cream cheese. International competitions place U.S. specialty cheeses among the best in the world with consistent top honors for flavor, body and appearance.



PERMEATE

U.S. whey and milk permeate production is sharply on the rise to fulfill expanding global demand. Want proof of permeate's rising popularity?

Global new product introductions containing permeate, tracked by Innova Market Insights, increased at a 34% compound annual growth rate from 2011-2013.



MILK POWDER

The United States leads the world as a single-country producer and exporter of nonfat dry milk/skim milk powder. The United States is also responding

to global customers' desires for more whole milk powder, with capacity now on the rise as new plant facilities come on-line.



LACTOSE

A track record as the world's largest producer and exporter makes the United States a trusted, go-to lactose source for feed, food and pharmaceutical

uses. Global customers rely on U.S. lactose for quality nutrition, product functionality and consistent supply availability.



WHEY INGREDIENTS

U.S. whey suppliers produce a wide array of ingredients, from sweet whey to whey protein concentrates and whey protein isolates, to meet varying

needs for protein levels, functional properties and other specifications. With over a million metric tons produced annually, the United States is the largest producer and exporter of whey in the world.



BUTTER AND MILKFAT

The sweet taste and creamy texture of "Made in USA" butter enhances flavor and texture in a multitude of applications. From

East Coast to West Coast, U.S. butter and milkfat manufacturers offer quality-driven products and are eager to partner with customers around the world.



MILK PROTEIN

The U.S. dairy industry is a rising supplier of milk proteins, with milk protein concentrate production more than doubling over the past eight years.

Micellar casein concentrate is now also in production and commercially available.



YOGURT, ICE CREAM AND DAIRY DESSERTS

As a consistent producer and exporter of yogurt, ice cream and other dairy desserts, the United States is well positioned to meet

rising global demand for these delicious dairy treats. The United States is recognized for innovation and quality for frozen dairy desserts as well as tasty and nutritious yogurt products.





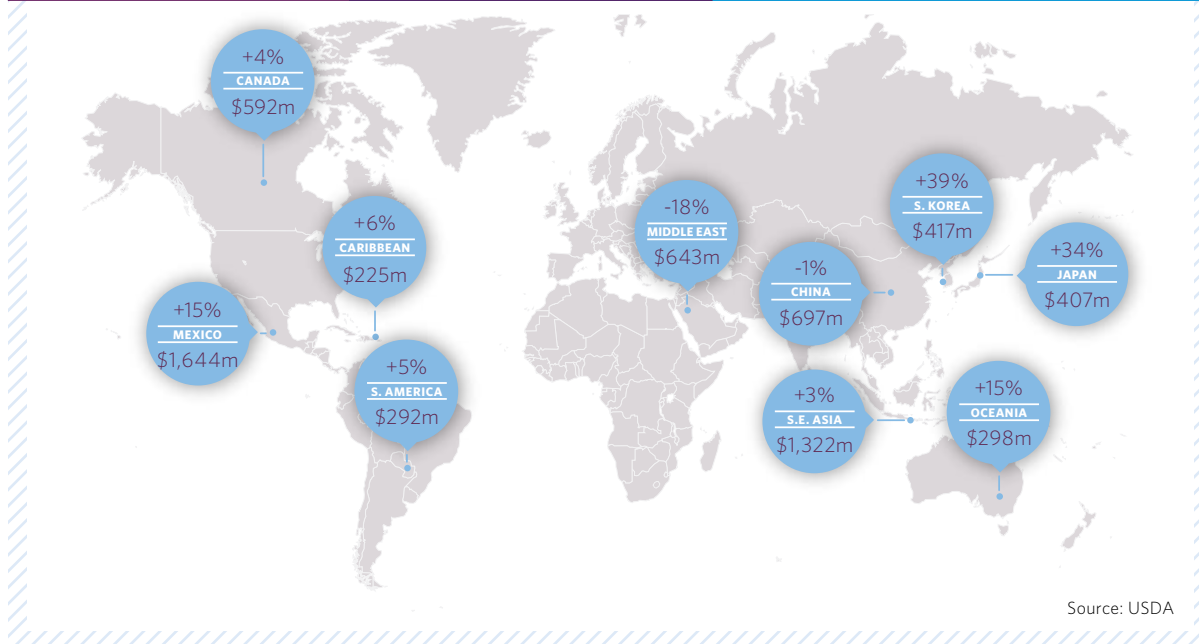
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Committed, Collaborative Partners



U.S. Dairy Export Growth in Top 10 Markets

2014 (USD and Change v. Prior Year)



Rising Global Presence

The dedication of American dairy farmer and processor communities reaches far beyond U.S. borders. Domestically focused a decade ago, the U.S. dairy industry today has embraced global markets and emerged as a leading dairy supplier worldwide. Today, one in seven tankers of milk leaving American farms is turned into products sold overseas. That's equivalent to 14.4 million metric tons of milk, or the milk from 1.4 million U.S. cows.

As global demand for dairy continues to rise, the U.S. dairy industry is meeting the challenge. U.S. dairy suppliers today are attuned to global customers' needs,

with sales efforts increasingly supported by offices and representatives around the world. The industry is also fully invested in delivering a product portfolio that meets the selection, specifications and packaging global customers seek.

The result has been a sharp upward trajectory in exports, achieving back-to-back records each year from 2010 through 2014. This steady export growth affirms the United States' long-term commitment to collaborative partnerships with global customers.

Count on U.S. Dairy to drive your business forward. ■



GET IN
TOUCH

Looking to partner with a U.S. dairy supplier?

While USDEC does not manufacture or sell dairy products, we proudly support the people who do. Search the **U.S. Dairy Supplier Directory** at ThinkUSAdairy.org.

To learn more and find a USDEC representative near you, go to ThinkUSAdairy.org/global-presence.



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