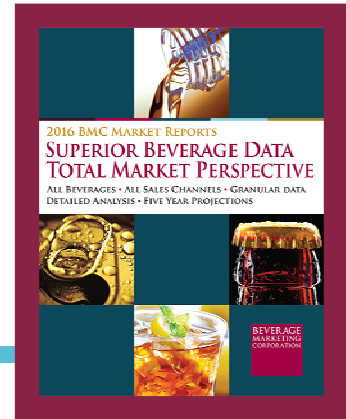


U.S. MILK AND DAIRY BEVERAGES THROUGH 2020

2016 EDITION (Published December 2016. Data through 2015. Market projections through 2020.) More than 225 pages, with extensive text analysis, graphs, charts and tables.



This U.S. milk industry research report from Beverage Marketing Corporation includes data on fluid milk production, consumption, flavors, milk by fat content and advertising expenditures. It also analyzes the forces reshaping the dairy industry, such as consolidation, pricing and health matters and addresses packaging and distribution. To round out its findings, this comprehensive industry report also covers flavored dairy-based shelf stable beverages, yogurt drinks and creamers.

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INSIDE:

REPORT OVERVIEW

A brief discussion of this report's key features. 2

TABLE OF CONTENTS

A detailed outline of this report's contents and data tables. 6

SAMPLE TEXT AND INFOGRAPHICS

Examples of report text, data content, layout and style. 11



HAVE QUESTIONS?

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THE ANSWERS YOU NEED

In addition to reliable historical and current data, this report provides five year forecasts on a broad range of market aspects giving readers a strong tool for spotting trends and opportunities.

This market research report examines industry developments and issues of interest to processors, marketers, advertising executives, industry suppliers, financial analysts and anyone else with a special interest in the U.S. milk and dairy beverage marketplace.

- How much was consumed in the United States during 2015, and how much was likely to be imbibed in 2016?
- How did the leading processors perform?
- What is the U.S. dairy industry doing to spur consumption?
- Which region produces the most milk? Which consumes the most?
- What are the most recent developments in packaging?
- How are the dairy-based shelf-stable and yogurt based beverage segments faring?
- What are the growth prospects for milk and its segments through 2020?

THIS REPORT FEATURES

Backed by Beverage Marketing's reliable, all-sales-channel-inclusive data, readers get a comprehensive understanding of all facets of the market including:

- Analysis of the national and regional markets.
- Market volume segmentation by fat level and flavors.
- Coverage of the different types, including flavored milk, organic milk and shelf-stable dairy-based beverages.
- Analysis of distribution channels, quantifying volume sold through various on- and off-premise distribution channels.
- A look at wholesale and retail sales as well as pricing by retail outlet type.
- Exploration of recent developments in packaging as well as a break-down of the fluid milk market by package size and a break-out of volume by package material type (plastic, paperboard and glass).
- Discussion of the major dairy processors and fluid milk companies, including mergers and acquisitions, brands and private label and strategies that companies and industry organizations have used to market and distribute.
- Wholesale dollar sales for leading dairy processors including Dean Foods, Kroger Dairy Division, Dairy Farmers of America, Borden Dairy Company and more.
- A look at the branded vs. private label markets and the market shares held by each historically and currently in the United States.

- Coverage of dairy-based shelf-stable beverages including Frappuccino, Hershey's, Yoo-hoo and others.
- Data on advertising expenditures.
- Demographic profiles of milk users and how they stand in relation to the total adult population of the United States.
- A look at the drinkable yogurt market, non-dairy creamer with statistics and discussion covering particular brands including Dannon, Stonyfield, Coffee-Mate, International Delight.
- Discussion of the organic market.
- Beverage Marketing's projections for the market and its segments (whole fat, fat reduced, fat-free, flavored and buttermilk) over the next five years through 2020.

U.S. Milk and Dairy Beverages through 2020

December 2016



RESEARCH • DATA • CONSULTING

NOTE: The information contained in this report is confidential and solely intended for the benefit of the immediate recipient hereof.

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Contents

Table of Contents

TABLE OF CONTENTS

TABLE OF CONTENTS ----- i

DEFINITIONS USED IN THIS REPORT----- vii

INTRODUCTION ----- xi

Chapter

1. THE U.S. MILK MARKET

The National Fluid Milk Market----- 1

- Overview----- 1
- Per Capita Consumption ----- 10
- Compound Annual Growth----- 11
- Seasons----- 12
- Milk Production ----- 13

The Regional Fluid Milk Markets----- 16

- Consumption ----- 16
- Production ----- 17

Exhibits

1.1 U.S. Fluid Milk Market Volume, Weight and Growth 1975 – 2020 ----- 20

1.2 U.S. Fluid Milk Market Per Capita Consumption 1975 – 2020----- 21

1.3 U.S. Fluid Milk Market Compound Annual Growth 1980 – 2020 ----- 22

1.4 U.S. Fluid Milk Market Quarterly Volume Shares 2002 – 2015 ----- 23

1.5 U.S. Milk Market Production Per Cow 1960 – 2015----- 24

1.6 U.S. Fluid Milk Market Consumption by Region 2012 – 2020 ----- 25

1.7 U.S. Fluid Milk Market Share of Consumption by Region 2012 – 2020----- 26

1.8 U.S. Fluid Milk Market Change in Consumption by Region 2013 – 2020 ----- 27

1.9 U.S. Fluid Milk Market Share of Production by Region 2011 – 2015----- 28

2. THE U.S. MILK MARKET BY FAT CONTENT

Milk Market by Fat Types ----- 29

- Overview----- 29
- Volume and Growth ----- 33
- Volume Projections----- 37

Other Fluid Milk Categories ----- 38

- Overview----- 38
- Lactose-Free Milk----- 39
- rBGH-Free Milk ----- 41
- Buttermilk ----- 43

TABLE OF CONTENTS

Chapter

2. THE U.S. MILK MARKET BY FAT CONTENT (cont'd)	
<i>Exhibits</i>	
2.10 U.S. Fluid Milk Market Volume by Milk Fat Type 1975 – 2020 -----	44
2.11 U.S. Fluid Milk Market Share of Volume by Milk Fat Type 1975 – 2020 -----	45
2.12 U.S. Fluid Milk Market Change in Volume by Milk Fat Type 1980 – 2020 -----	46
3. THE U.S. MILK MARKET BY FLAVORS	
The Flavored Milk Market -----	47
• Overview-----	47
• The Flavors -----	55
• Flavored Milk Brands -----	59
<i>Exhibits</i>	
3.13 U.S. White vs. Flavored Milk Market Volume and Share 1996 – 2020 -----	61
3.14 U.S. Flavored Fluid Milk Market Volume by Flavor 2012 – 2020 -----	62
3.15 U.S. Flavored Fluid Milk Market Share of Volume by Flavor 2012 – 2020 -----	63
3.16 U.S. Flavored Fluid Milk Market Change in Volume by Flavor 2013 – 2020 -----	64
4. LEADING DAIRIES	
The Top Dairy Companies-----	65
• Overview-----	65
• Dean Foods -----	68
• Schreiber Foods Inc. -----	70
• Land O' Lakes -----	71
• Dairy Farmers of America-----	73
• Kraft Foods -----	74
Leading Fluid Milk Processors-----	76
• Overview-----	76
• Dean Foods -----	78
• Kroger Dairy Division -----	82
• Dairy Farmers of America-----	83
• Borden Dairy Company -----	84
• H.P. Hood-----	86
<i>Exhibits</i>	
4.17 Leading Dairy Processors Estimated Wholesale Dollar Sales 2010 – 2015-----	88
4.18 Leading Fluid Milk Companies Estimated Wholesale Dollar Sales 2010 – 2015 -----	89
4.19 Leading Fluid Milk Companies Estimated Share of Sales 2010 – 2015 -----	90
5. THE LEADING MILK BRANDS AND PRIVATE LABEL	
Branded vs. Private Label Milk-----	91
• Overview-----	91
• Fluid Milk Brands -----	97

TABLE OF CONTENTS

Chapter

5. THE LEADING MILK BRANDS AND PRIVATE LABEL (cont'd)	
<i>Exhibits</i>	
5.20 U.S. Fluid White Milk Market Branded vs. Private Label Retail Dollars and Units 2012 – 2016 -----	101
5.21 U.S. Fluid White Milk Market Branded vs. Private Label Share of Retail Dollars and Units 2012 – 2016-----	102
5.22 U.S. Fluid White Milk Market Branded vs. Private Label Change in Retail Dollars and Units 2013 – 2016-----	103
5.23 U.S. Flavored Milk Market Branded vs. Private Label Retail Dollars and Units 2012 – 2016 -----	104
5.24 U.S. Flavored Milk Market Branded vs. Private Label Share of Retail Dollars and Units 2012 – 2016-----	105
5.25 U.S. Flavored Milk Market Branded vs. Private Label Change in Retail Dollars and Units 2013 – 2016-----	106
6. THE U.S. MILK MARKET BY DISTRIBUTION CHANNEL	
Milk Distribution -----	107
• Overview-----	107
• Volume by Distribution Channel-----	110
<i>Exhibits</i>	
6.26 U.S. Fluid Milk Market Volume by Distribution Channel 2011 – 2020 -----	118
6.27 U.S. Fluid Milk Market Share of Volume by Distribution Channel 2011 – 2020 -----	119
6.28 U.S. Fluid Milk Market Change in Volume by Distribution Channel 2012 – 2020 -----	120
7. THE U.S. MILK MARKET BY PACKAGE TYPE AND SIZE	
Milk Packaging-----	121
• Volume by Package Type -----	121
• Volume by Package Size -----	129
<i>Exhibits</i>	
7.29 U.S. Fluid Milk Market Volume by Package Type 2011 – 2020-----	133
7.30 U.S. Fluid Milk Market Share of Volume by Package Type 2011 – 2020 -----	134
7.31 U.S. Fluid Milk Market Change in Volume by Package Type 2012 – 2020-----	135
7.32 U.S. Fluid Milk Market Volume by Package Size 2011 – 2020 -----	136
7.33 U.S. Fluid Milk Market Share of Volume by Package Size 2011 – 2020 -----	137
7.34 U.S. Fluid Milk Market Change in Volume by Package Size 2011 – 2020 -----	138
8. U.S. MILK PRICING	
Milk Pricing -----	139
• Overview-----	139
• Wholesale and Retail Prices-----	142
• Federal Milk Order Prices -----	145

TABLE OF CONTENTS

Chapter

8. U.S. MILK PRICING (cont'd)	
<i>Exhibits</i>	
8.35 U.S. Fluid Milk Market Wholesale and Retail Sales 1988 – 2020 -----	148
8.36 U.S. Fluid Milk Market Average Price Per Gallon by Retail Outlet 2012 – 2016 YTD--	149
8.37 U.S. Fluid Milk Market Federal Order Minimum Prices 1980 – 2016 YTD-----	150
9. U.S. MILK ADVERTISING EXPENDITURES	
Milk Advertising -----	151
• Overview-----	151
• Leading Advertisers -----	154
• Advertising Spending by Media-----	162
<i>Exhibits</i>	
9.38 U.S. Fluid Milk Market Expenditures by Leading Advertisers 2011 – 2015-----	165
9.39 U.S. Fluid Milk Market Share of Expenditures by Leading Advertisers 2011 – 2015--	166
9.40 U.S. Fluid Milk Market Change in Expenditures by Leading Advertisers 2011 – 2015	167
9.41 U.S. Fluid Milk Market Advertising Expenditures by Media 2011 – 2015 -----	168
9.42 U.S. Fluid Milk Market Share of Advertising Expenditures by Media 2011 – 2015----	169
9.43 U.S. Fluid Milk Market Change in Advertising Expenditures by Media 2011 – 2015 --	170
10. DEMOGRAPHICS OF THE U.S. MILK CONSUMER	
Demographics of the Milk Consumer -----	171
• Overview-----	171
• Milk Consumption by Age-----	173
• Milk Consumption by Gender -----	176
• Type of Milk Consumed -----	177
<i>Exhibits</i>	
10.44 U.S. Milk Consumption by Age Penetration by Usage 2015 -----	179
10.45 U.S. Milk Consumption by Age Share of Volume 2015 -----	180
10.46 U.S. Milk Consumption by Age Ounces Consumed 2015 -----	181
10.47 U.S. Milk Consumption by Gender Penetration and Ounces Consumed 2015-----	182
10.48 Type of Milk Consumed by Age by Flavor 2015-----	183
10.49 Type of Milk Consumed by Age by Fat Level 2015 -----	184
11. DAIRY-BASED SHELF-STABLE BEVERAGES	
Value-Added, Shelf-Stable Milk Products -----	185
• Overview-----	185
• Leading Brands-----	189
<i>Exhibits</i>	
11.50 Dairy-Based Shelf-Stable Beverages Estimated Wholesale Dollars 2010 – 2015 -----	194
11.51 Dairy-Based Shelf-Stable Beverages Share of Wholesale Dollars 2010 – 2015-----	195
11.52 Dairy-Based Shelf-Stable Beverages Change in Wholesale Dollars 2011 – 2015-----	196

TABLE OF CONTENTS

Chapter

12. THE U.S. YOGURT DRINK MARKET	
Yogurt Drinks -----	197
• Overview-----	197
• Leading Brands-----	200
Exhibits	
12.53 U.S. Yogurt Drink Market Estimated Volume and Growth 2007 – 2020 -----	204
12.54 U.S. Yogurt Drink Market Estimated Retail Dollars and Growth 2007 – 2020 -----	205
12.55 U.S. Yogurt Drink Market Share of Estimated Volume by Brand 2010 – 2015-----	206
13. THE U.S. NON-DAIRY CREAMER MARKET	
Non-Dairy Creamers -----	207
• Overview-----	207
• Leading Brands-----	209
Exhibits	
13.56 U.S. Non-Dairy Creamer Market Estimated Volume and Growth 2007 – 2020 -----	214
13.57 U.S. Non-Dairy Creamer Market Estimated Retail Dollars and Growth 2007 – 2020 -	215
13.58 U.S. Non-Dairy Creamer Market Estimated Share of Volume by Brand 2011 – 2015	216
14. THE U.S. ORGANIC MILK MARKET	
Organic Milk -----	217
• Overview-----	217
• Leading Brands-----	222
Exhibits	
14.59 U.S. Organic Fluid Milk Market Estimated Volume and Growth 2002 – 2020 -----	225
14.60 U.S. Organic Fluid Milk Market Per Capita Consumption 2002 – 2020 -----	226

Appendix

MILK REQUIREMENTS IN THE CODE OF FEDERAL REGULATIONS	
Description, Options and Requirements-----	227

Flavored milk has been one of the few bright spots in the otherwise dismal milk category, which is experiencing several years of decline. Unfortunately for the overall milk industry, the modest growth of flavored milk does not even begin to offset the declines in white milk.

- Milk is an unusual beverage category in that the vast majority of volume is plain, and only a small share is flavored. In most other categories, such as carbonated soft drinks (CSDs) and fruit beverages, different flavors abound. Today's consumer is enamored with options and having new experiences. The beverage industry responds to this product promiscuity by offering myriad choices and an ever-expanding roster of new flavors. Clearly, there seems to be growth potential for flavored milk, but the sales trends have been lackluster to date.
- Flavored milk seems much more competitive than white milk when it comes to taking on popular refreshment beverages, such as CSDs, energy drinks and fruit drinks. It has opened up opportunities for milk's expansion into single-serve and immediate consumption.
- Compared to white milk, flavored milk products are generally higher priced and higher margin, so they are attractive for a dairy processor's margins.
- While the taste of white milk seems polarizing – many consumers love the taste while many dislike it – flavored milk seems to be well loved – especially chocolate – and the very nature of flavors should make available tastes for every consumer.
- In general, however, flavored milk is almost all chocolate, and innovations beyond chocolate have been limited, with most of those that have come to market remaining small or failing altogether. There are a few milk processors and brands that have the vision of a milk case full of flavors, but inroads have been mostly local and relatively small.

**U.S. FLUID MILK MARKET
CHANGE IN VOLUME BY MILK FAT TYPE
1980 – 2020(P)**

Year	Plain Whole	White Fat- Reduced*	White Fat-Free	Flavored	Butter	TOTAL
1975/80**	1%	1%	1%	1%	1%	1%
1980/85**	1%	1%	1%	1%	1%	1%
1985/86	1%	1%	1%	1%	1%	1%
1986/87	1%	1%	1%	1%	1%	1%
1987/88	1%	1%	1%	1%	1%	1%
1988/89	1%	1%	1%	1%	1%	1%
1989/90	1%	1%	1%	1%	1%	1%
1990/91	1%	1%	1%	1%	1%	1%
1991/92	1%	1%	1%	1%	1%	1%
1992/93	1%	1%	1%	1%	1%	1%
1993/94	1%	1%	1%	1%	1%	1%
1994/95	1%	1%	1%	1%	1%	1%
1995/96	1%	1%	1%	1%	1%	1%
1996/97	1%	1%	1%	1%	1%	1%
1997/98	1%	1%	1%	1%	1%	1%
1998/99	1%	1%	1%	1%	1%	1%
1999/00	1%	1%	1%	1%	1%	1%
2000/01	1%	1%	1%	1%	1%	1%
2001/02	1%	1%	1%	1%	1%	1%
2002/03	1%	1%	1%	1%	1%	1%
2003/04	1%	1%	1%	1%	1%	1%
2004/05	1%	1%	1%	1%	1%	1%
2005/06	1%	1%	1%	1%	1%	1%
2006/07	1%	1%	1%	1%	1%	1%
2007/08	1%	1%	1%	1%	1%	1%
2008/09	1%	1%	1%	1%	1%	1%
2009/10	1%	1%	1%	1%	1%	1%
2010/11	1%	1%	1%	1%	1%	1%
2011/12	1%	1%	1%	1%	1%	1%
2012/13	1%	1%	1%	1%	1%	1%
2013/14	1%	1%	1%	1%	1%	1%
2014/15	1%	1%	1%	1%	1%	1%
2015/16(p)	1%	1%	1%	1%	1%	1%
2016/17(P)	1%	1%	1%	1%	1%	1%
2017/18(P)	1%	1%	1%	1%	1%	1%
2018/19(P)	1%	1%	1%	1%	1%	1%
2019/20(P)	1%	1%	1%	1%	1%	1%

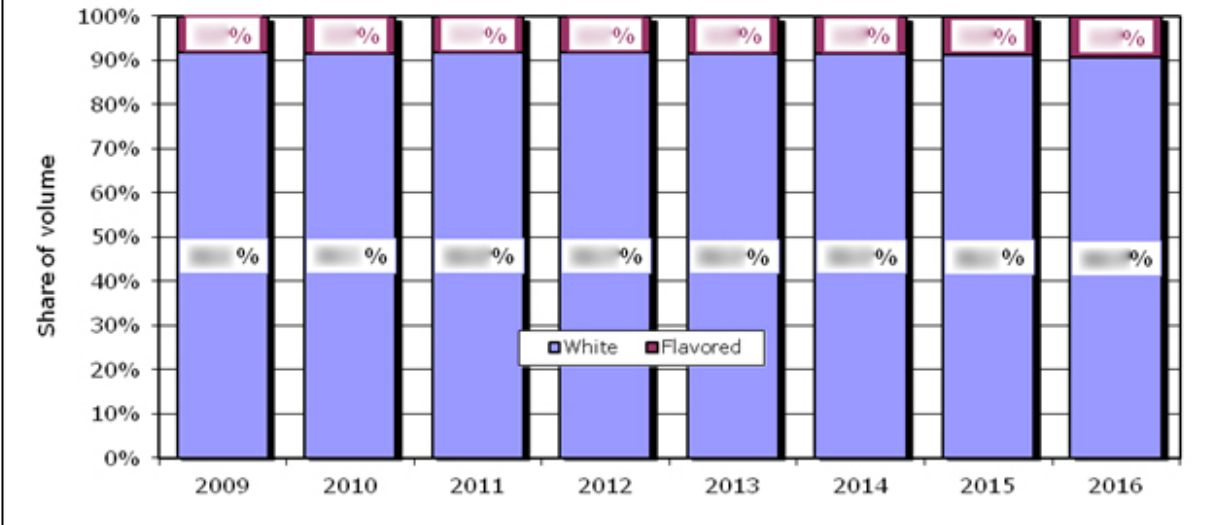
(p) Preliminary; (P) Projected

* Includes 1% and 2% milk.

** Five-year compound annual growth rate.

Source: Beverage Marketing Corporation

FLAVORED MILK SHARE GAINS IN 2015/16
White and flavored volume shares, 2009 - 2016(p)



(p) Preliminary

Source: Beverage Marketing Corporation