This report includes data on production, consumption, flavors, milk by fat content and advertising expenditures. It analyzes the forces reshaping the industry, such as consolidation in both production and retail outlets, pricing and health matters and addresses packaging and distribution. It also covers flavored dairy-based shelf stable beverages, yogurt drinks and creamers. 

New for 2014: Advertising expenditure breakouts for 18 media types.
**The answers you need**

- How much fluid milk was consumed in the United States during 2013 and the first half of 2014?
- How did the leading fluid milk processors perform?
- What is the U.S. dairy industry doing to spur fluid milk consumption?
- Which region produces the most milk? Which consumes the most?
- What are the most recent developments in fluid milk 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 2018?

**This report features**

This report addresses industry developments and issues of interest to milk processors and marketers, advertising executives, industry suppliers, financial analysts and anyone else with a special interest in the U.S. milk market. It contains:

- Analysis of the national and regional milk markets
- Milk market volume segmentation by fat level and flavors
- Coverage of the different milk types, including flavored milk, organic milk and shelf-stable dairy-based beverages
- Analysis of milk distribution channels, quantifying volume sold through various on- and off-premise distribution channels
- A look at wholesale and retail milk sales as well as milk 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, 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 milk. Wholesale dollar sales for leading dairy processors including Dean Foods, Land O'Lakes, Kraft, Kroger Dairy Division, Foremost Farms USA Cooperative and more
- Discussion and data on the leading refrigerated whole milk and non-fat/low-fat milk brands including Horizon Organic, Borden, Tuscan Farms, Elmhurst Dairy, Organic Valley, Kemps Select, Country Fresh, Lactaid and more
- A look at the branded vs. private label milk markets
- Coverage of dairy-based shelf-stable beverages including Frappuccino, Hershey’s, Yoo-hoo and others
• Data on advertising expenditures for milk

• 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, Yoplait, Coffee-Mate, International Delight

• Discussion of the organic milk market

• **Beverage Marketing’s** projections for the milk market and its segments (whole fat, fat reduced, fat-free, flavored and buttermilk) over the next five years through 2018.
Milk and Dairy Beverages in the U.S.
2014 Edition
December 2014

NOTE: The information contained in this report is confidential and solely intended for the benefit of the immediate recipient hereof.
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Long a staple of kids’ lunches in schools, chocolate milk has recently faced a fierce battle there, and significant volume has been lost in schools in the last few years.

- Efforts to have flavored milk eliminated from the Federal School Meal Program have incited negative press and affected consumers’ perspectives on flavored milk in general.
- While flavored milk contains all of the same nutrients that white milk has, a growing number of parents and schools are skeptical of flavored milk’s nutritional value because of the added sugar.
- Some school districts reduced the availability of or cut flavored milk completely from the meal line, which accounts for close to 70% of school milk volume.
- The milk industry engaged in an extensive program of persuading schools that flavored milk can help maintain nutritious diets for children.
- The fluid milk check-off program, the Milk Processor Education Program (MilkPEP), conducted a survey of many of the schools that eliminated or reduced flavored milk availability and found that consumption of milk in total dropped an average of 25% in those schools. The study also found that to replace the nutrients lost by eliminating flavored milk from the school program will be quite difficult, and would result in adding more fat, calories and cost to the lunch offering.
- The focus on sugar and calories, without regard to overall nutrient intake, however, made chocolate milk in schools an easy target for elimination.

As a first step to address the anticipated backlash against flavored milks, processors made low-fat flavor options available. Indeed, low-fat or fat-free chocolate milk became the standard in most schools. In addition, the industry attempted to educate consumers and allay their concerns that flavored milk may not be as healthy as white milk.

- High fructose corn syrup (HFCS), the added sweetener in many flavored milk brands, came under attack as a perceived cause of obesity. Despite HFCS being less expensive than other types of sugar, some processors have reformulated to get away from it.
- Unlike for other beverages, for milk there has been resistance to using artificial, or non-nutritive sweeteners, which would bring down calorie count significantly if used instead of or in conjunction with traditional sweeteners (generally HFCS). The formulation of palatable lower-calorie options has been a challenge.
<table>
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*(p) Preliminary

* Includes 1% and 2% milk.

Source: Beverage Marketing Corporation
THE SOUTH CONSUMED ONE-THIRD OF U.S. MILK
Share of consumption by region, 2013

Northeast

South

West

Midwest

Source: Beverage Marketing Corporation