

# The Dairy Practices Council

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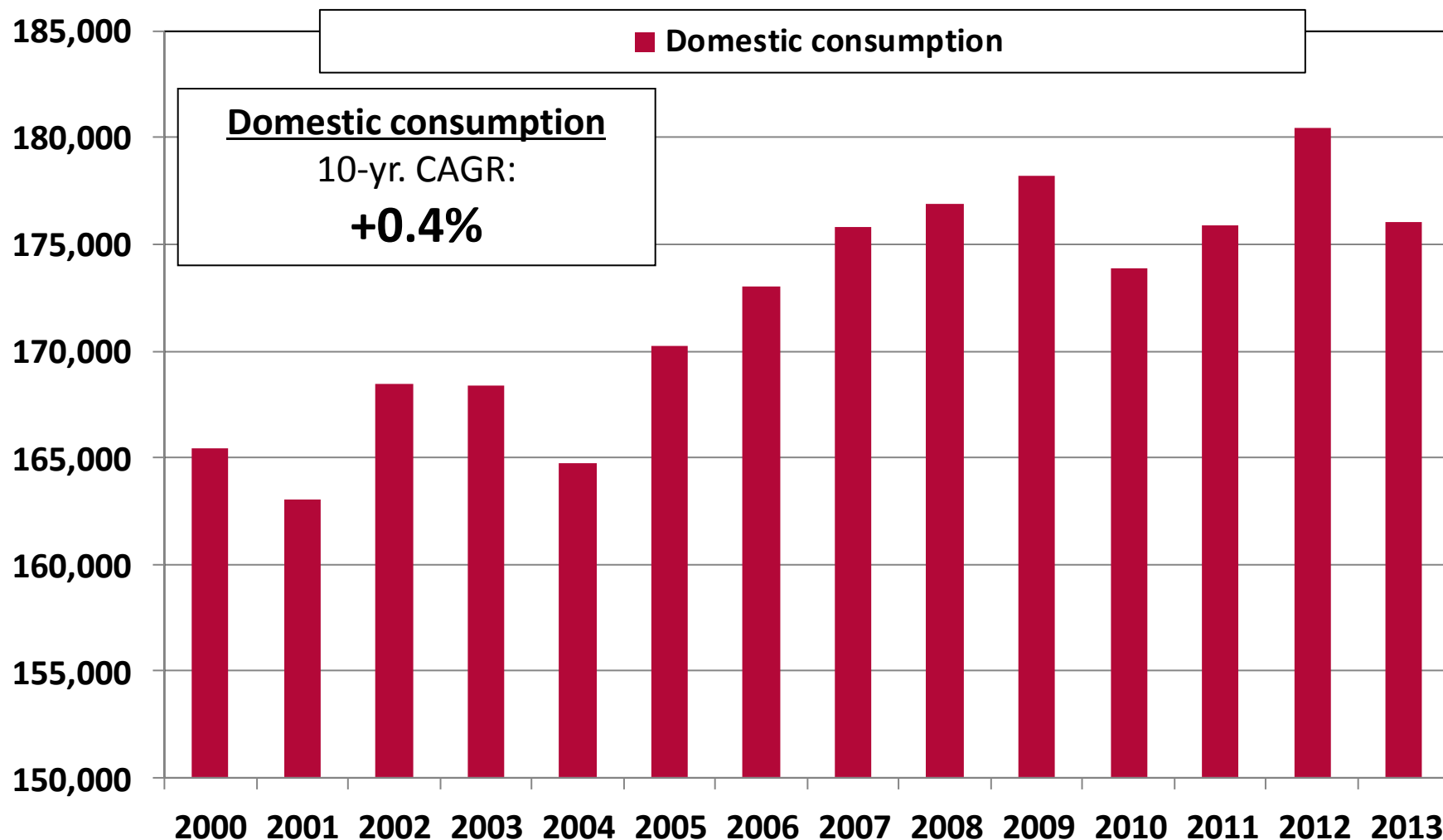
More Cooperative.



- **What do consumers want?**
- **What does this mean for the US dairy industry?**
- **What does it mean for the Midwest dairy industry?**

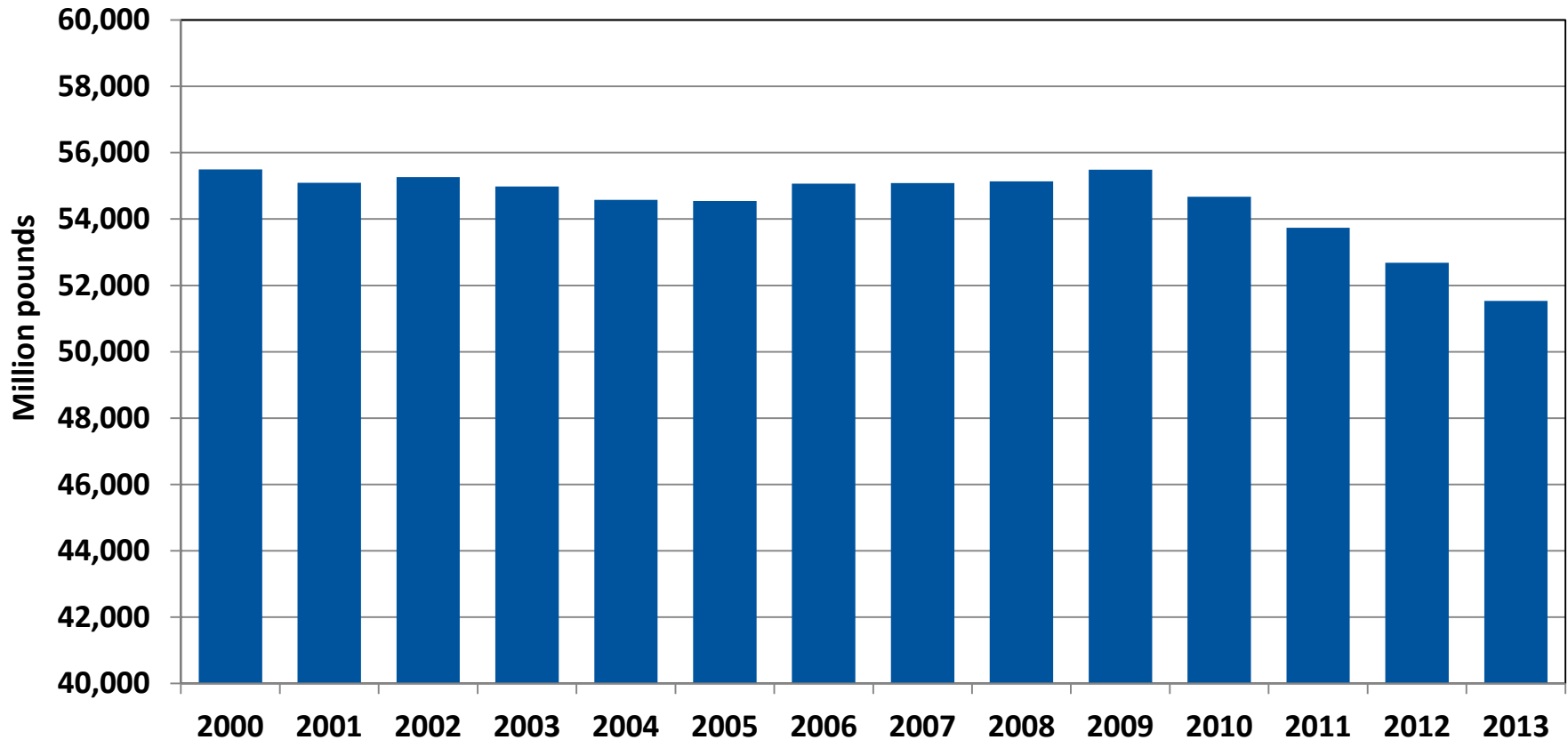
# U.S. milk production and consumption

*Million pounds*



# U.S. fluid milk sales

*(Million pounds)*

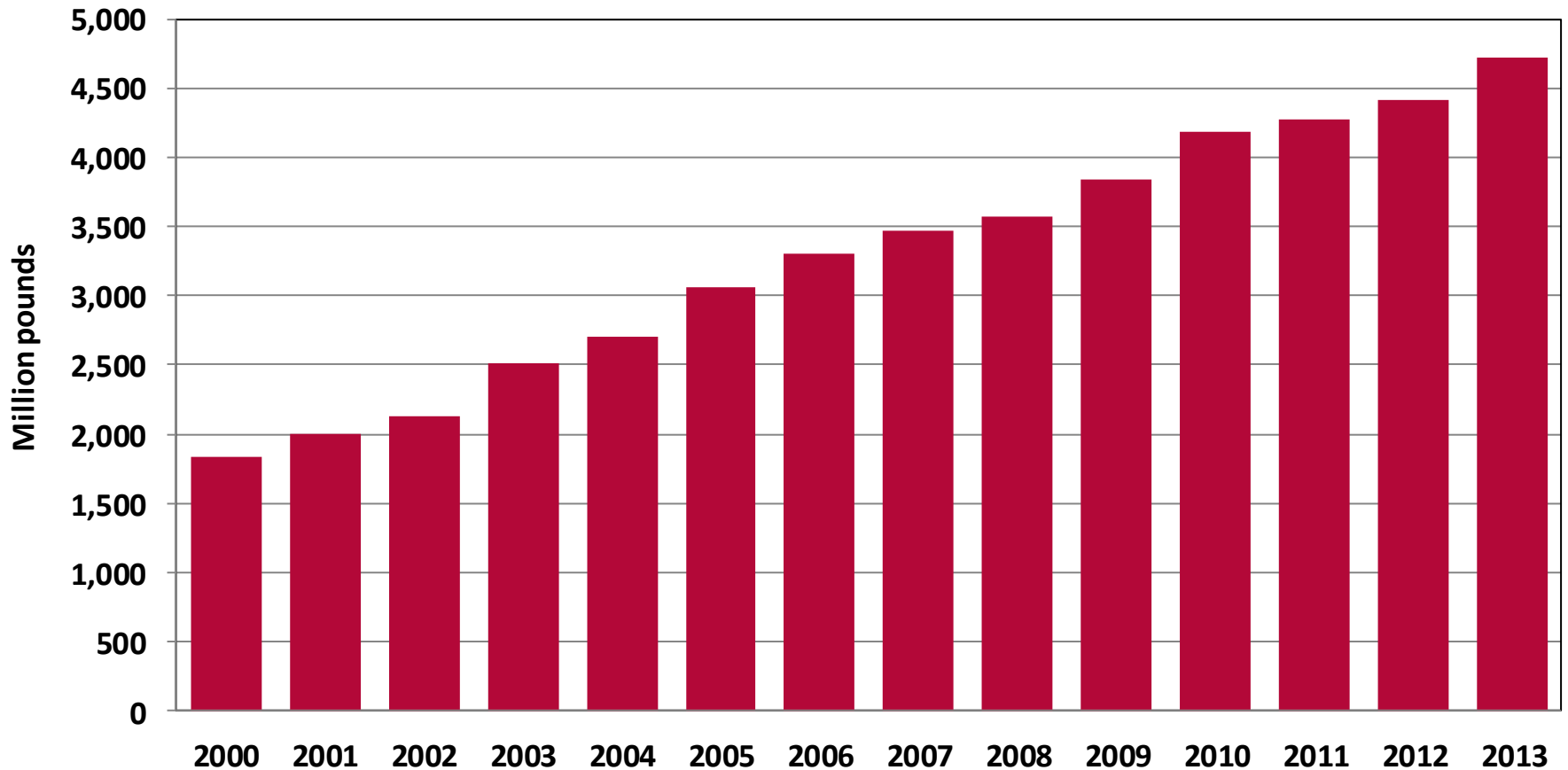


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# U.S. yogurt production

*(Million pounds)*

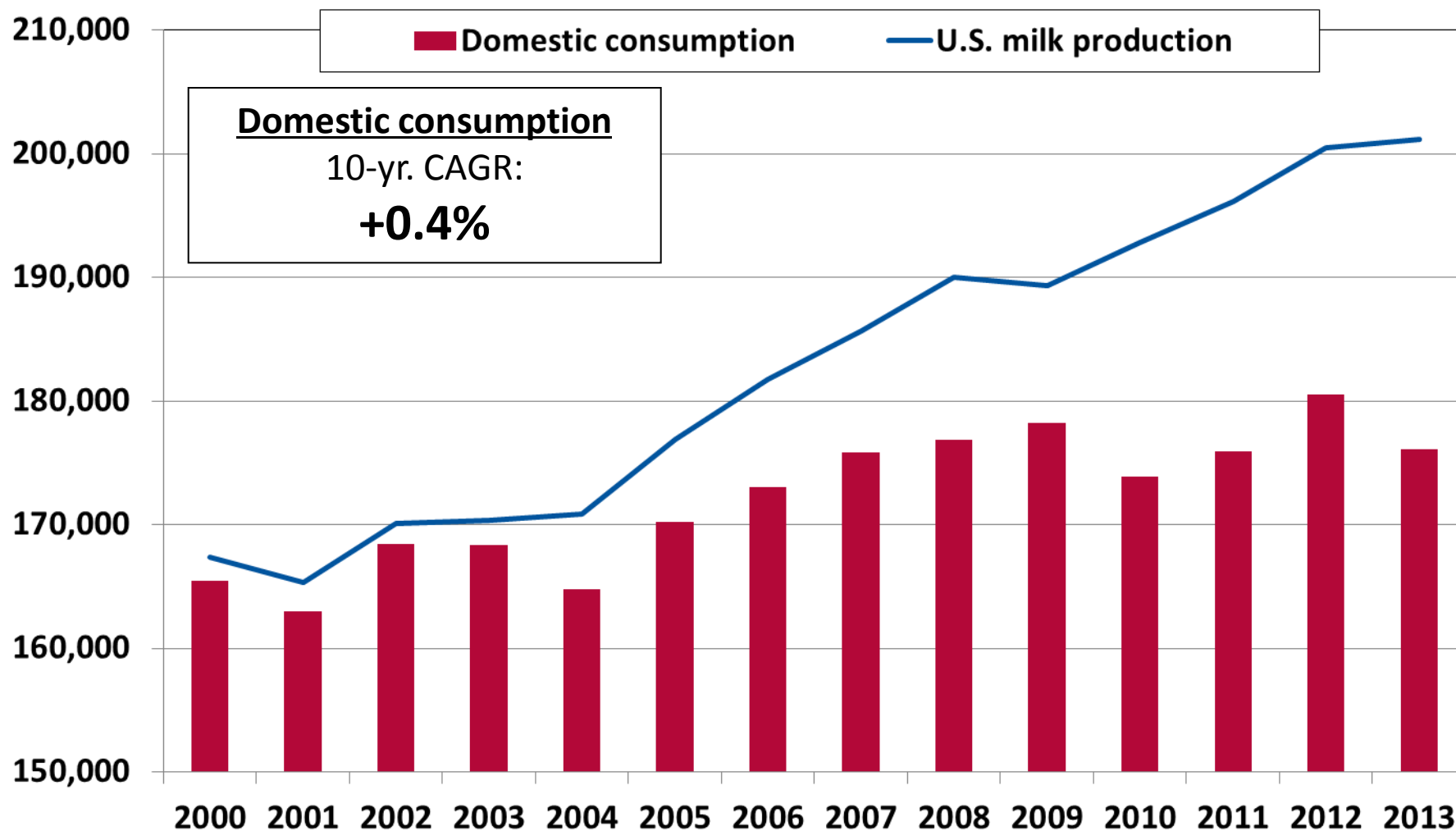


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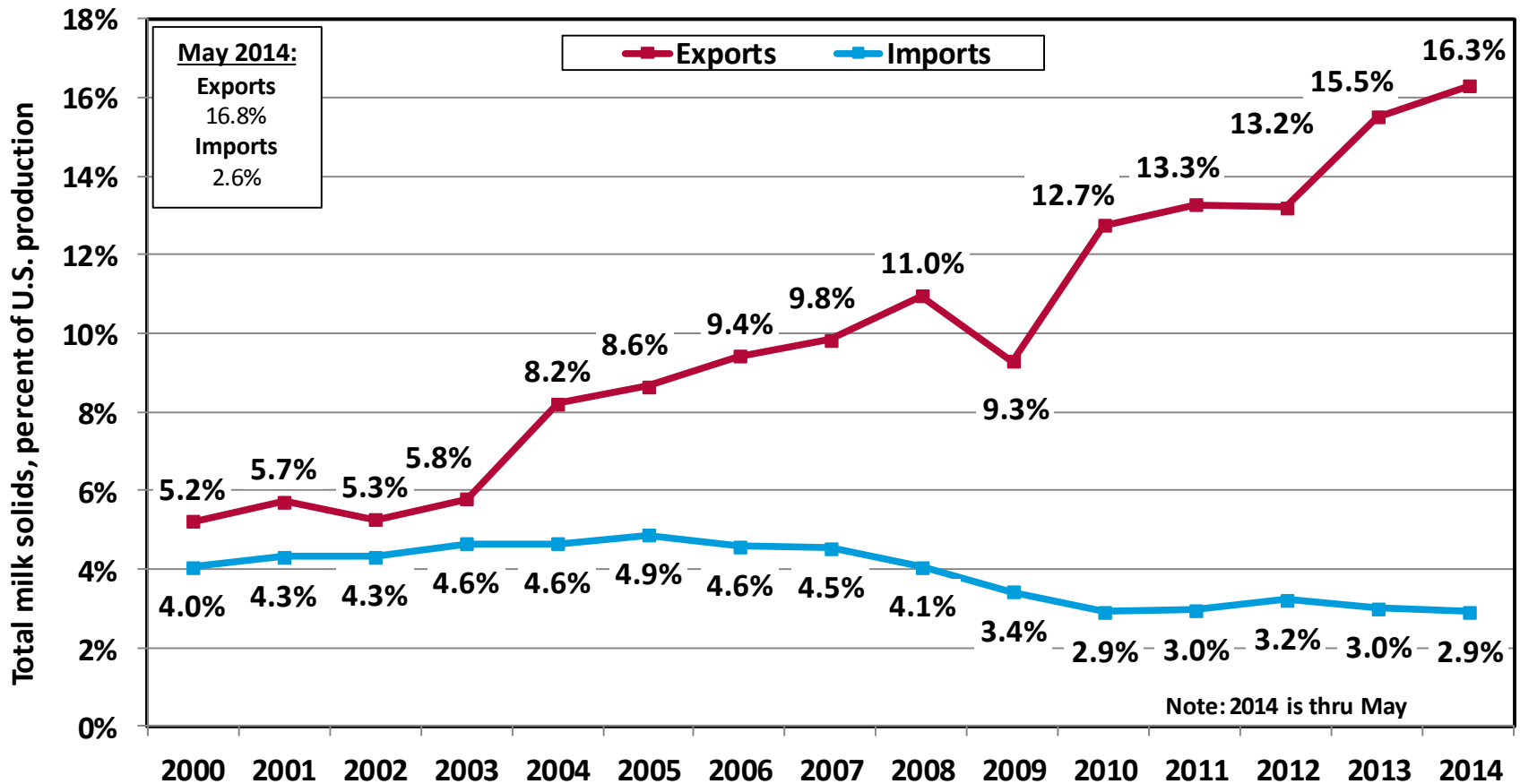
# U.S. milk production and consumption

*Million pounds*



# U.S. dairy trade balance

*Total milk solids, percent of U.S. milk production*

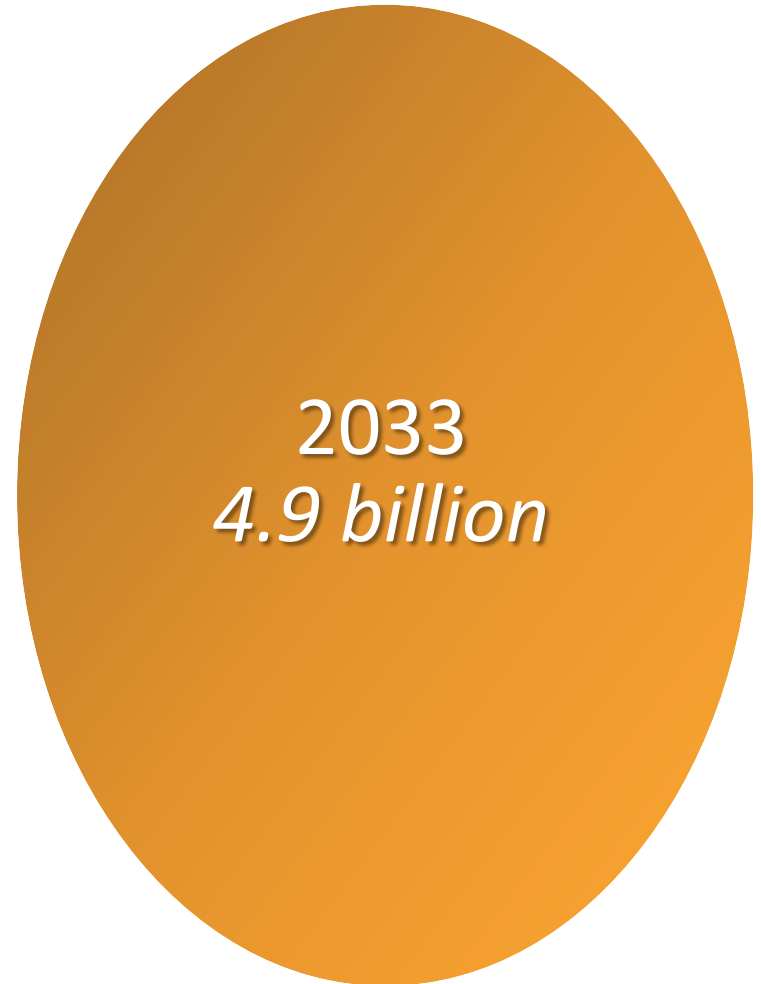
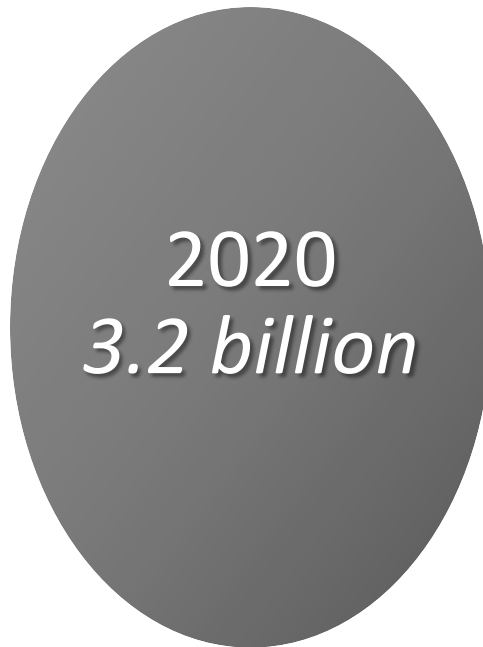
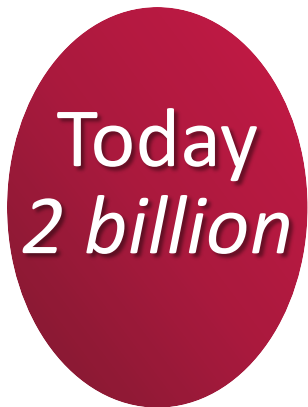


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# More people...with more money...in more places

*Middle class population*





# Global Consumer Nutrition



# Indulgence





# Supply chain integrity



More Cooperative.



- **What do consumers want?**
- **What does this mean for the US dairy industry?**
- **What does it mean for the Midwest dairy industry?**

# 70 percent of suitable agricultural lands already in use or under protection



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# 52 percent of projected world population could be exposed to severe water scarcity by 2050



*4.8 billion people projected to live in  
water scarce areas by 2050*



# China's food challenge

***People***



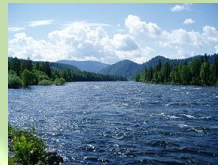
***22 percent***

***Farmland***



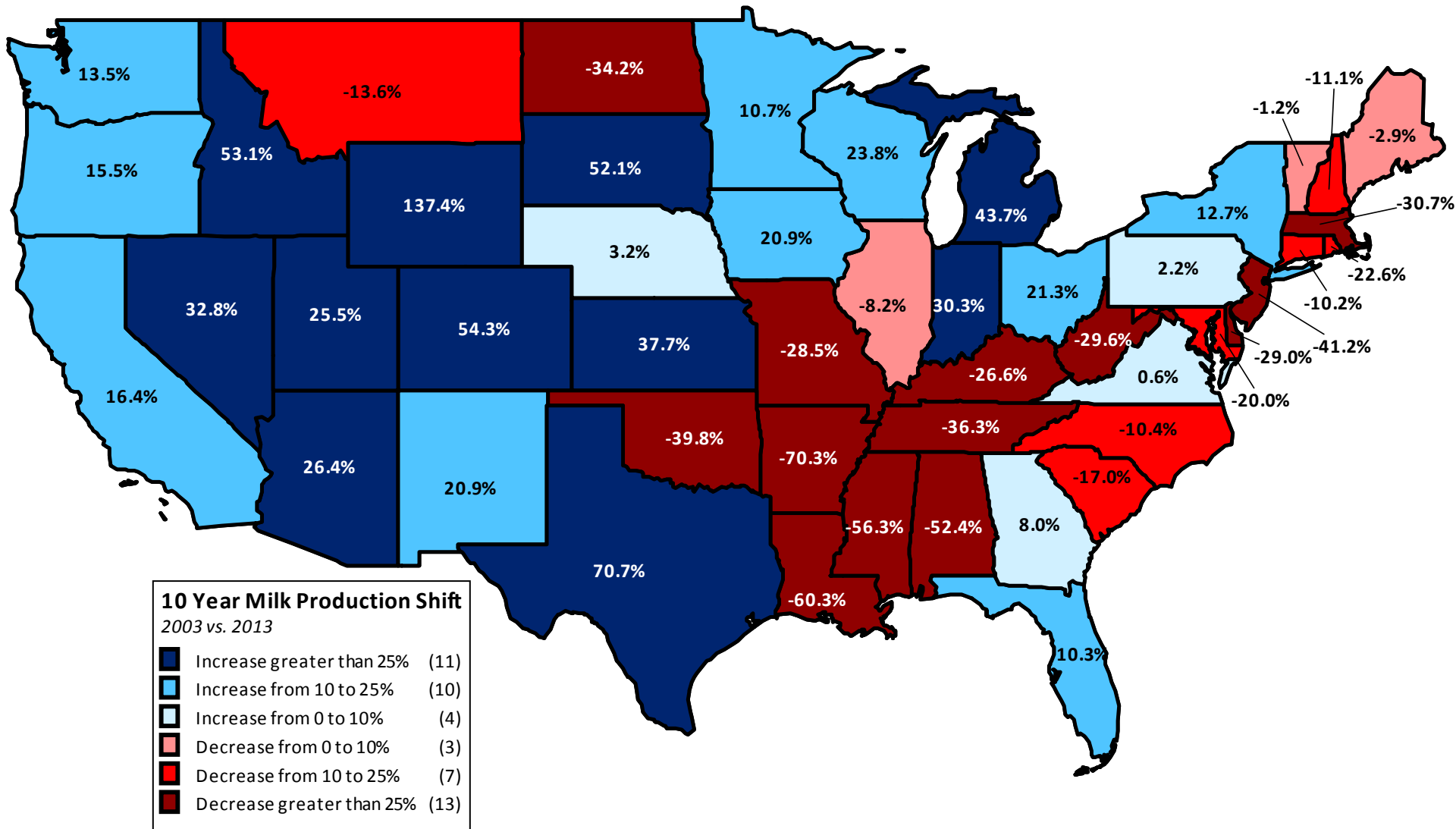
***7 percent***

***Fresh Water***



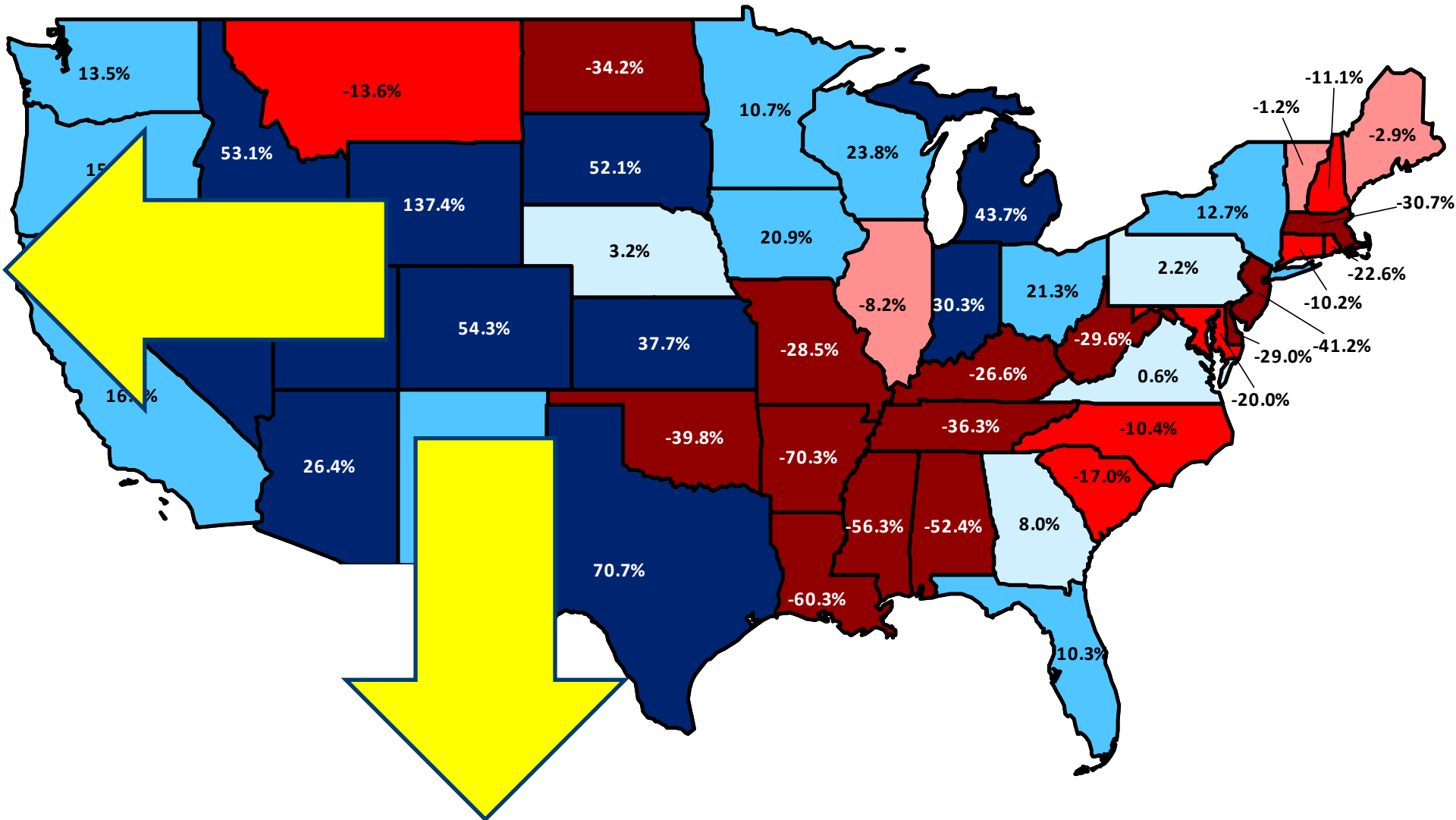
***3 percent***

# 10-year shift in U.S. milk production

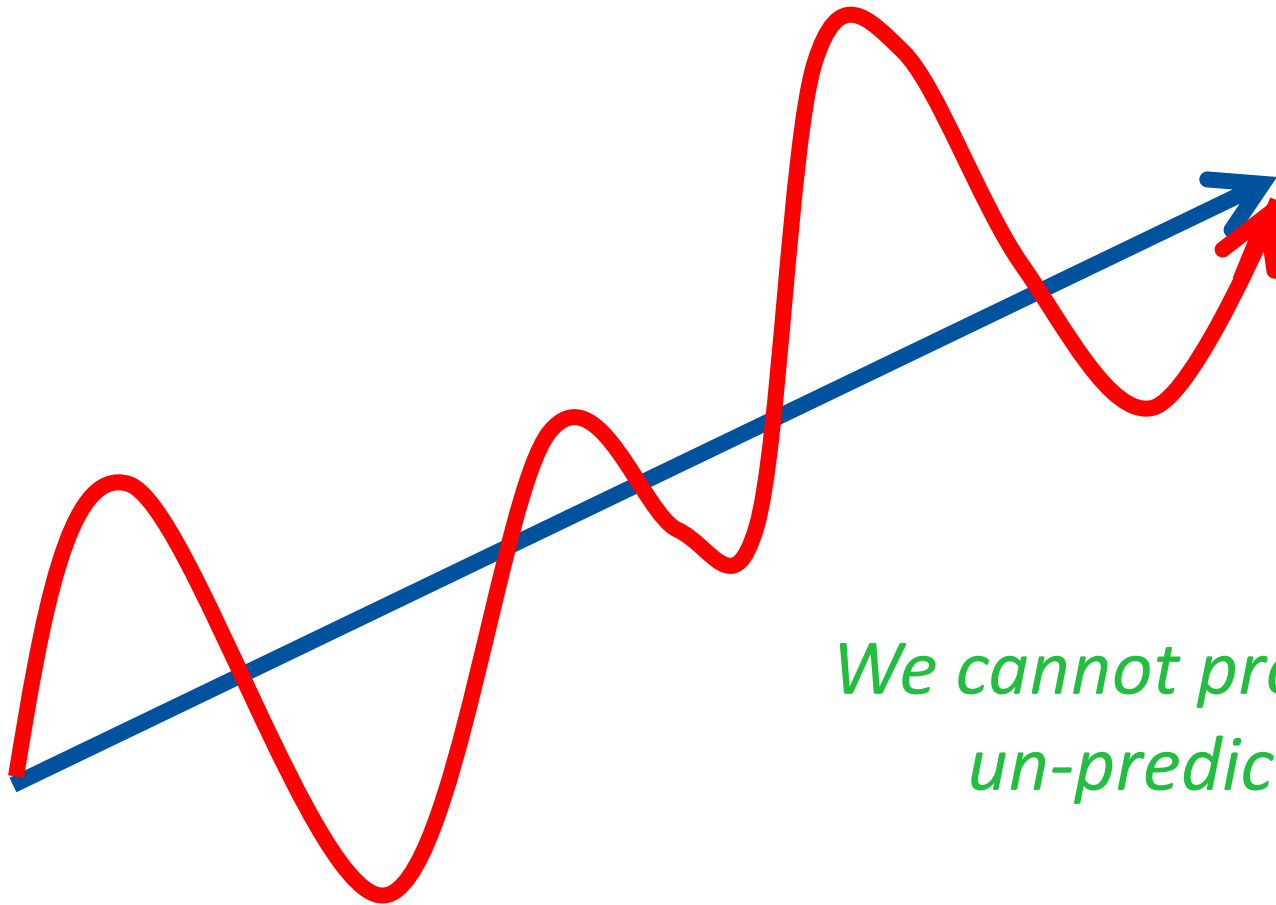




# 10-year shift in U.S. milk production



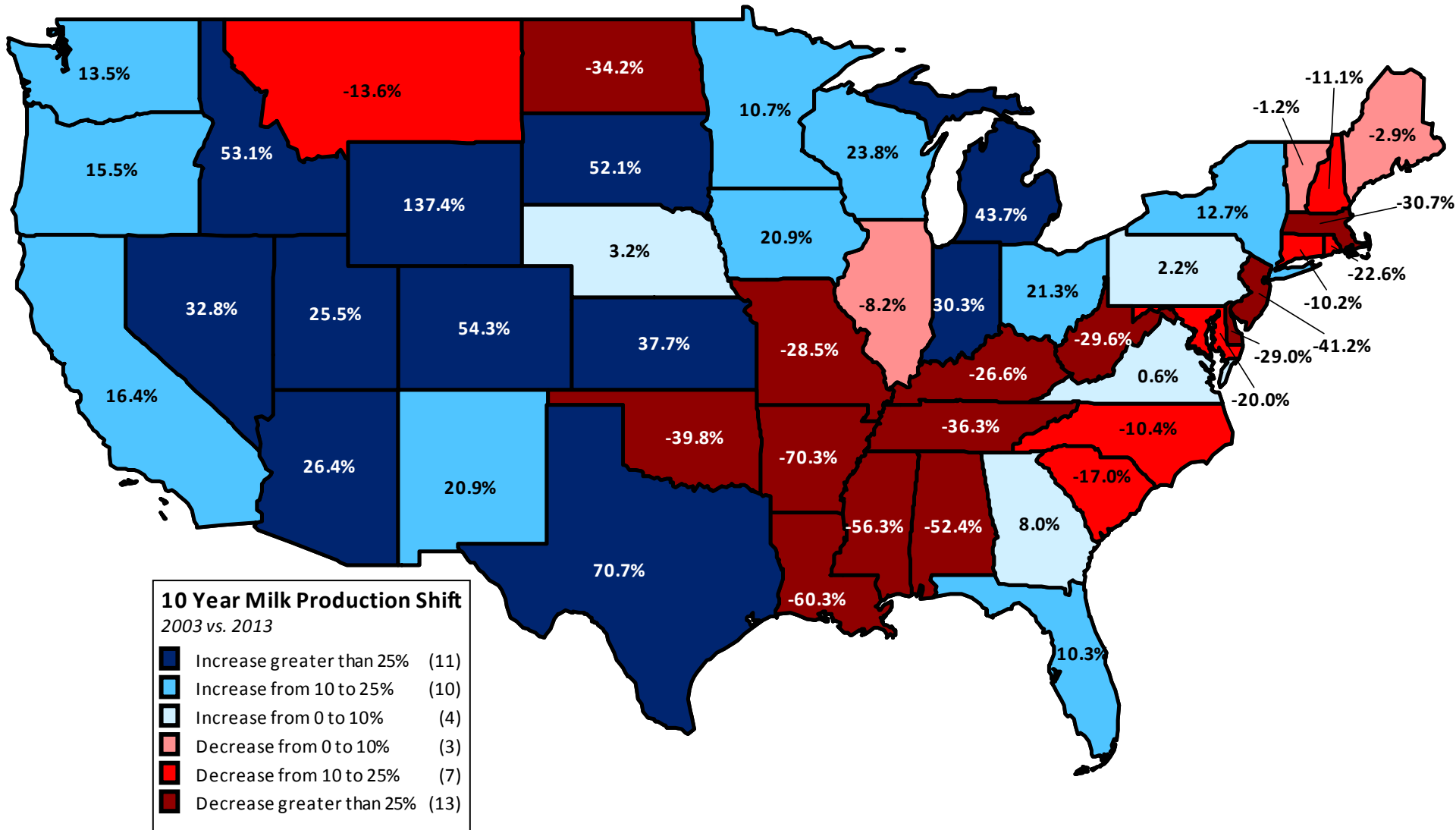
# Export growth will not be a straight line



*We cannot predict the un-predictable*

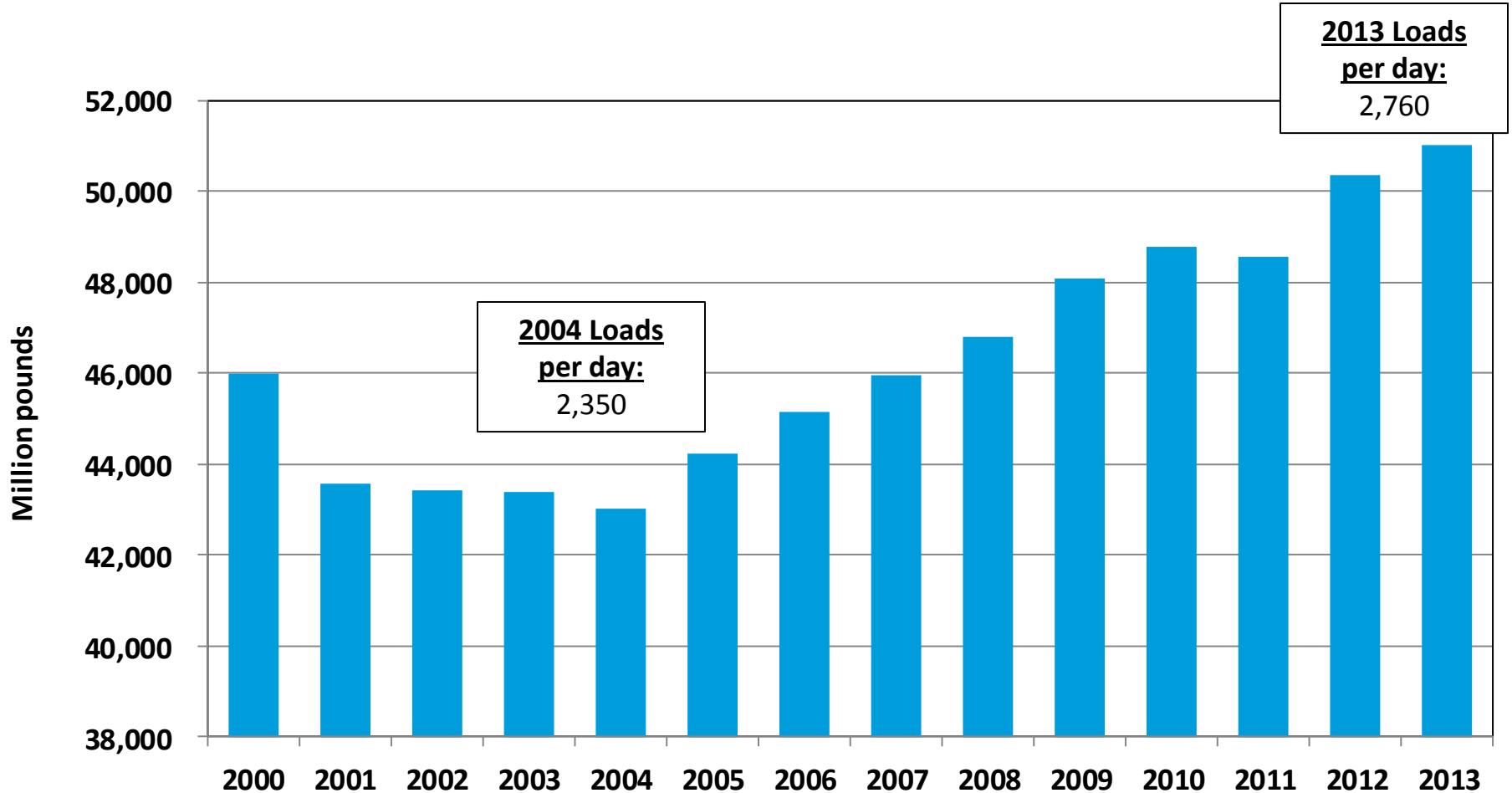
- **What do consumers want?**
- **What does this mean for the US dairy industry?**
- **What does it mean for the Midwest dairy industry?**

# 10-year shift in U.S. milk production



# Midwest Milk Production

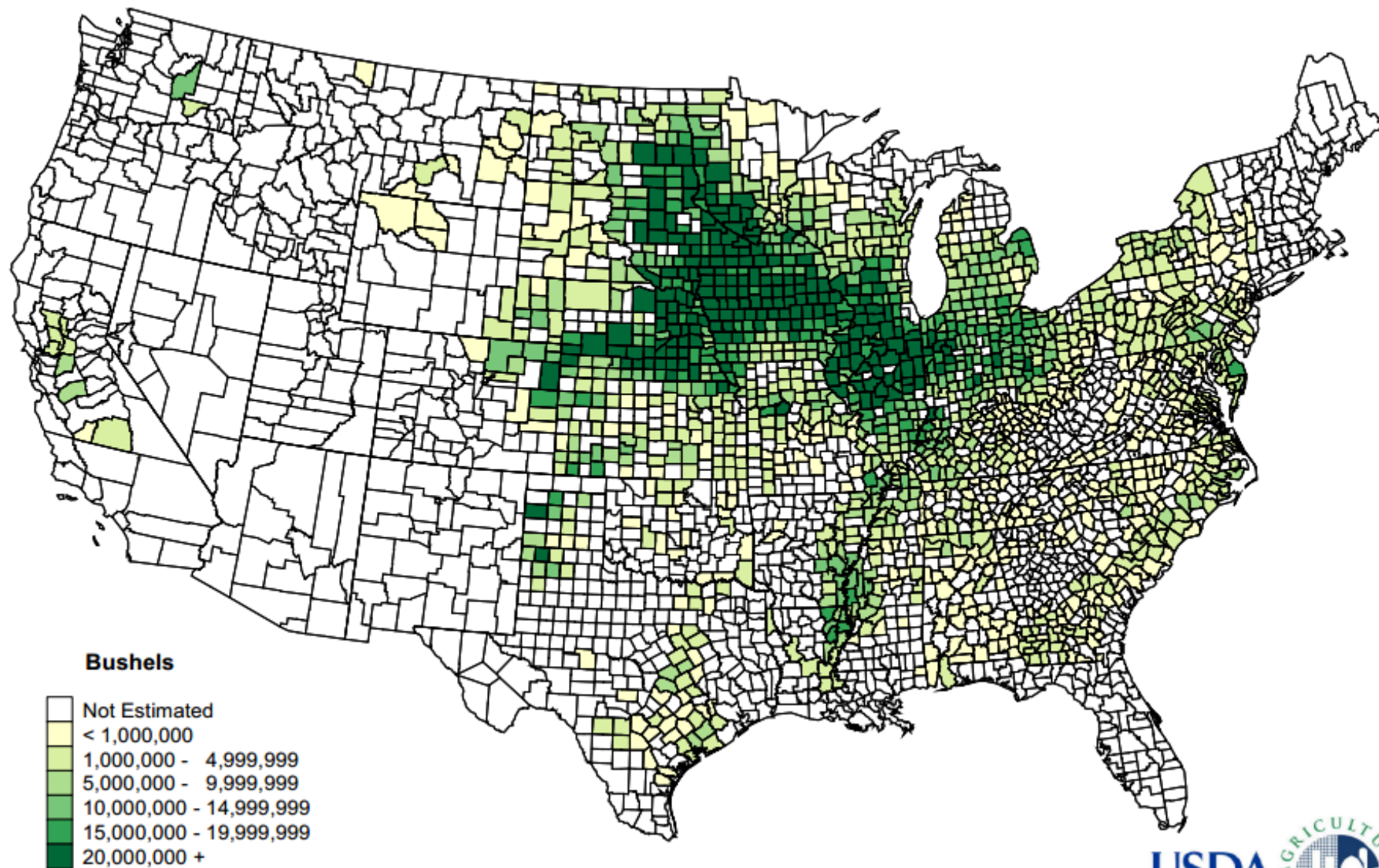
*Midwest milk production represents 25 percent of U.S. milk production*



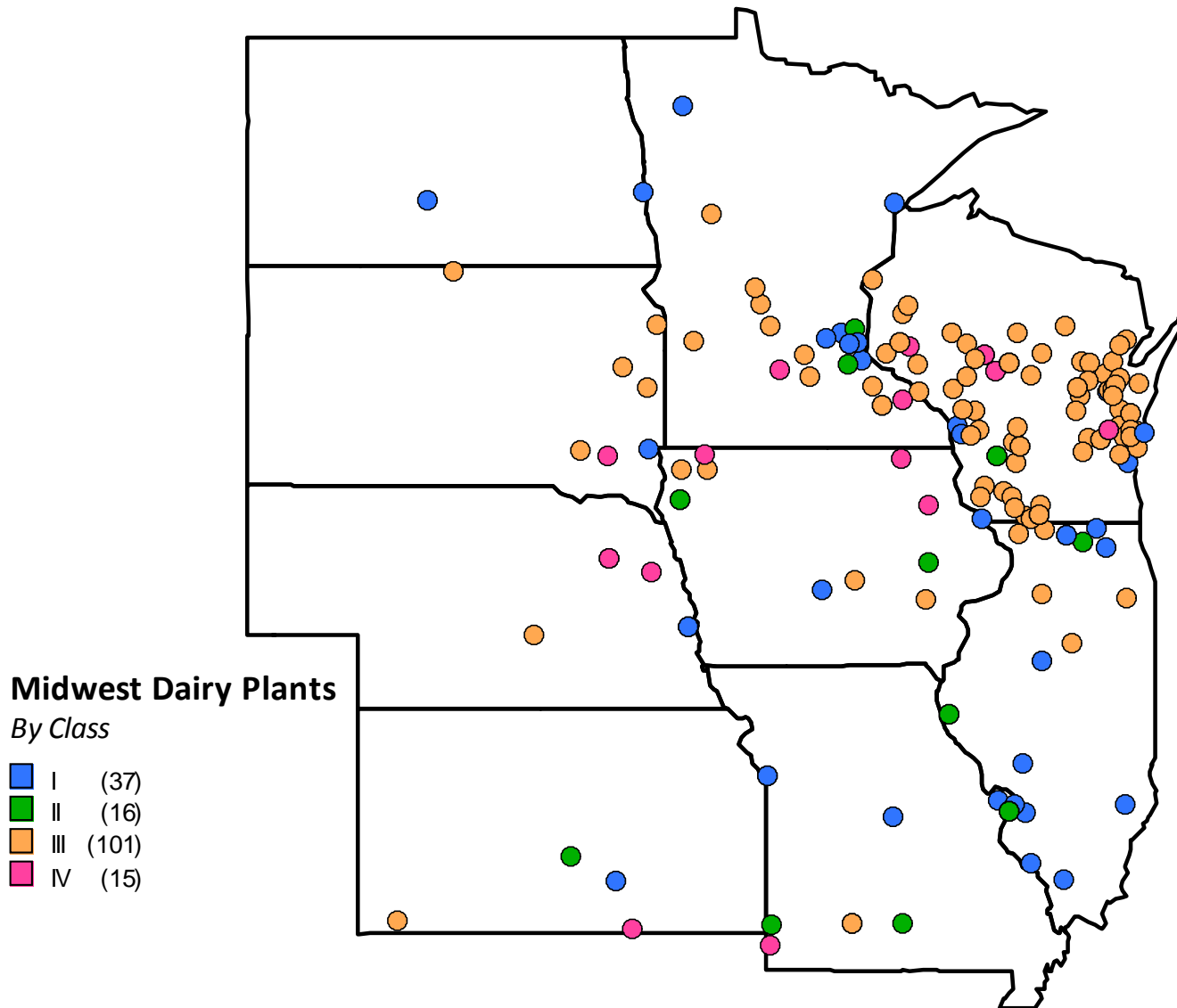
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# Corn for Grain 2013 Production by County for Selected States



# Midwest Dairy Plants





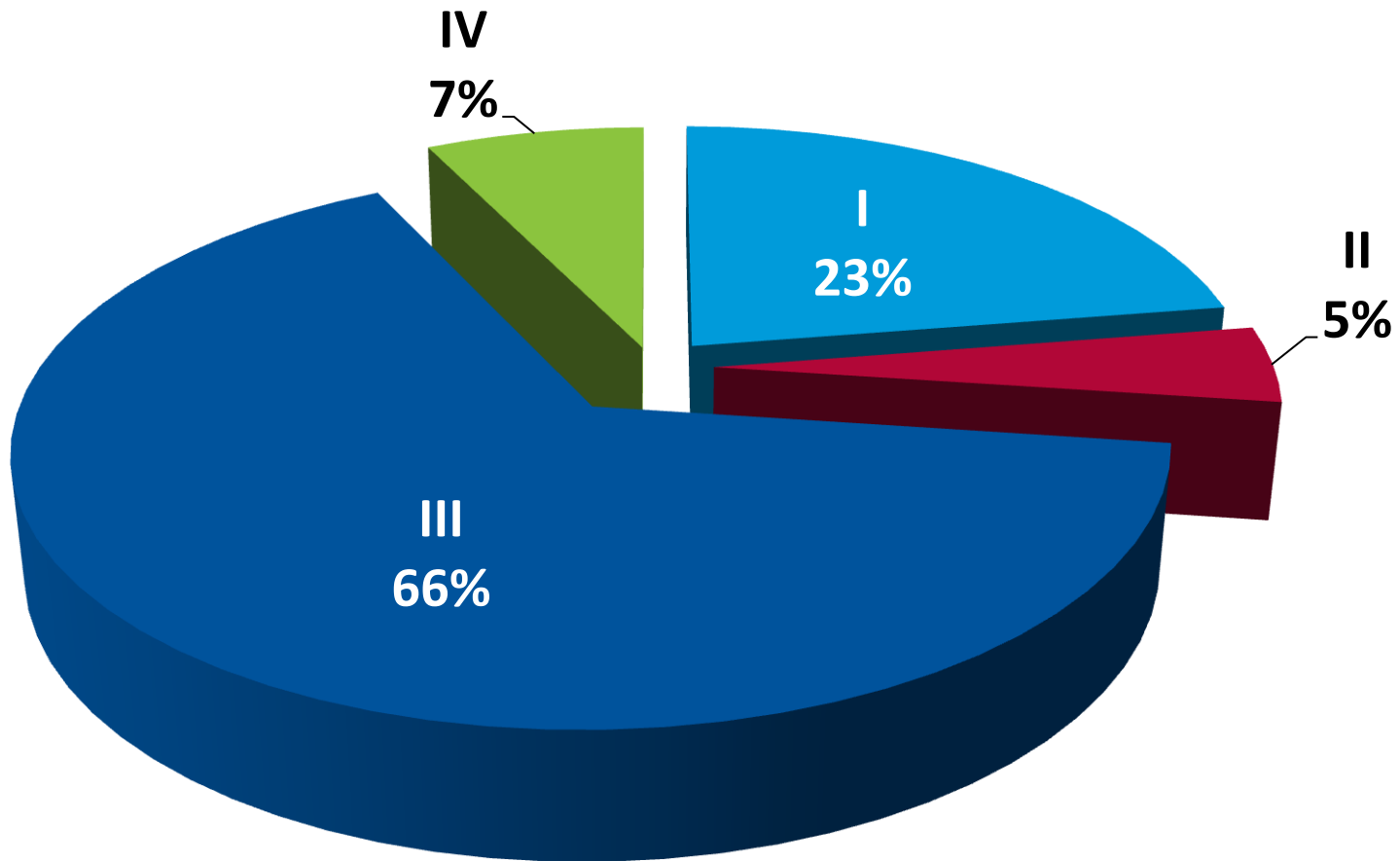
# DFA Brands and Products in the Midwest





# Midwest Dairy Class Capacity

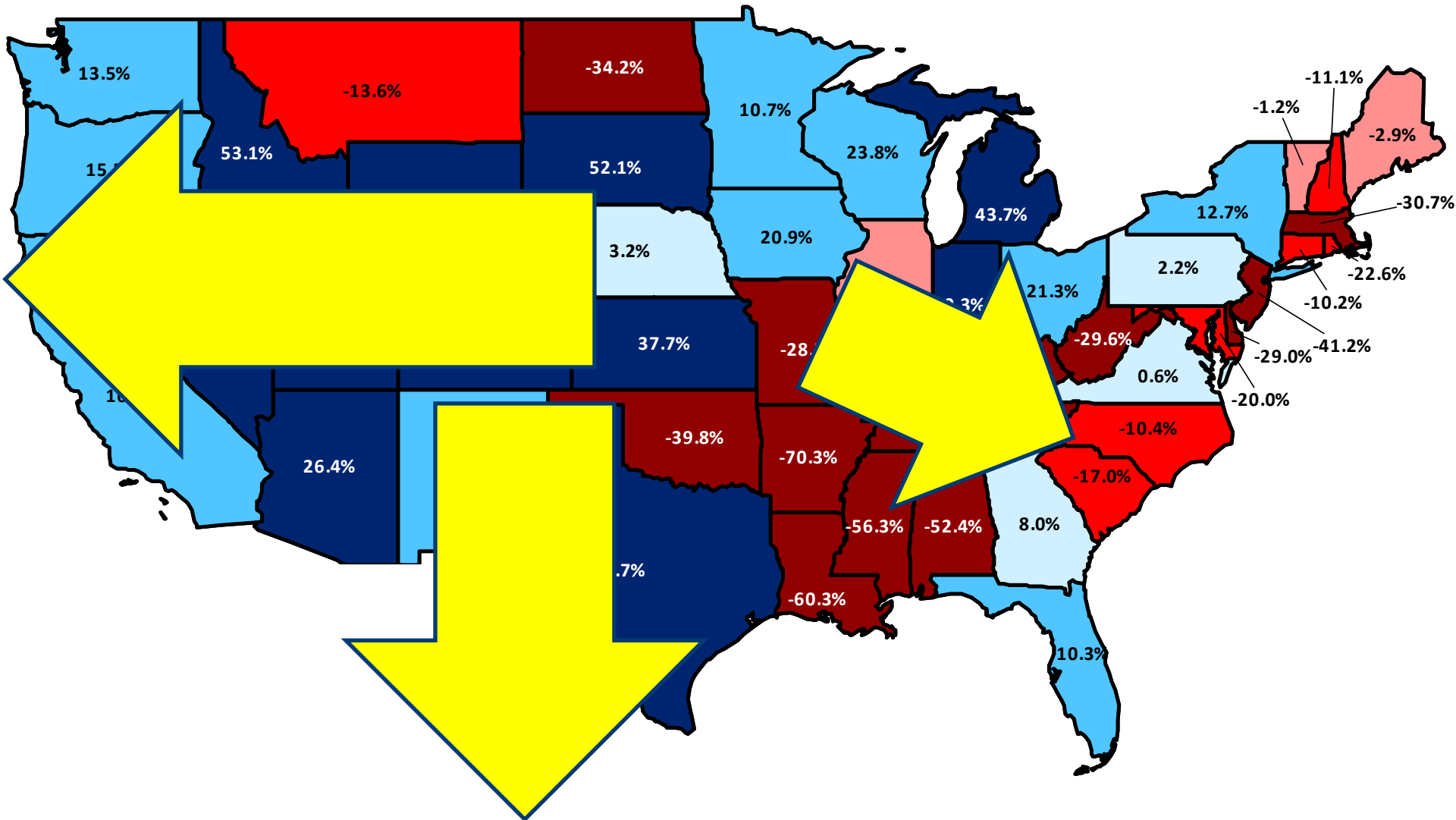
*Market Share*



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# 10-year shift in U.S. milk production



- **What do consumers want?**
- **What does this mean for the US dairy industry?**
- **What does it mean for the Midwest dairy industry?**

# Thank You



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