

MARKETING SERVICE

BULLETIN

Two Contrasting Years

Congressionally mandated federal milk order reform became effective January 2000. Thirty-one orders were merged or consolidated which resulted in eleven larger marketing areas and consequently a larger amount of milk pooled on some orders. The Central order was no exception, in that eight marketing areas and part of another, were combined. During the first year of reform (2000) prices were relatively stable, albeit low. Prices recovered and were higher in 2001 but price volatility returned.

Producer milk marketings on the Central order totaled 17.84 billion pounds during 2001. This compares to 16.04 billion pounds the previous year, or an 11.5% increase on a daily basis. The amount of milk utilized as Class I was almost identical. There were 4.88 billion pounds of Class I milk in 2001, up 0.4% on a daily basis. However, the percent Class I utilization dropped to 27.4 percent, compared with 30.4 percent in 2000.

The 2001 weighted average Producer Price Differential (PPD) was \$1.05 per cwt. This compares with \$1.54 a year earlier. However, as noted in past bulletins, a comparison of PPDs alone may be misleading since the statistical uniform price is a better approximation of total producer revenue (August 2000 MSB). The 2001 weighted average statistical uniform price was \$14.21 per cwt., which increased \$2.93 per cwt. from the 2000 average of \$11.28 per cwt. The statistical uniform price may be more representative of producer prices than comparing only changes in the PPDs. The range in statistical uniform prices for 2001 was \$4.74, from a \$11.82 low in February to a \$16.56 peak in September. This compares with a \$1.13 range during 2000, (\$10.84 in April to \$11.97 in September). The average FMO producer component prices per pound for 2000 and 2001 were:

	2000	2001	Change
Butterfat	\$1.2522	\$1.8480	+47.6%
Protein	1.6938	1.9613	+15.8%
Other Solids	0.0509	0.1343	+163.9%

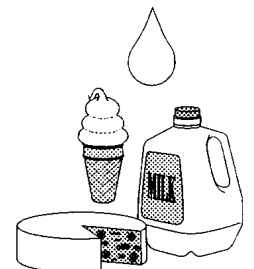
The Central FMO recorded the third highest total producer milk marketings of all orders during 2001, trailing the Northeast and Upper Midwest orders. Class III utilization on the Central order was the second highest among all FMOs at 61.9%, exceeded only by the Upper Midwest's 75.7% utilization. Class I utilization for the Central order was 27.4% which ranked it 9th among the eleven FMOs. The 2001 Central order's average statistical uniform price was 8th among all FMOs.

The graphics on page two pertain to the Central order's producer milk marketing and its utilization, producer prices, including component prices and the average monthly somatic cell count. Page three illustrates the Central order's relation to the other ten orders regarding the statistical uniform price, producer receipts and Class I and Class III percent utilizations. The Central order data is highlighted on each graphic.

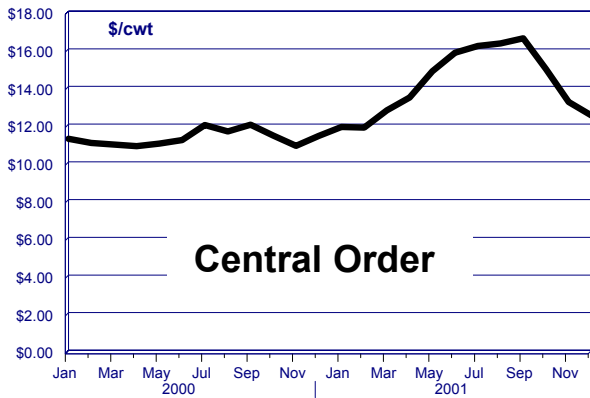
A detailed statistical summary for the Central federal milk order is available upon request. The summary contains monthly data relating to prices, marketings, utilization by product and dispositions for 2000 and 2001. Numerous graphics and maps are also included. The summary is available at no charge by contacting this office at 913-495-9326, or via e-mail at: donald.nicholson@fmcentral.com.

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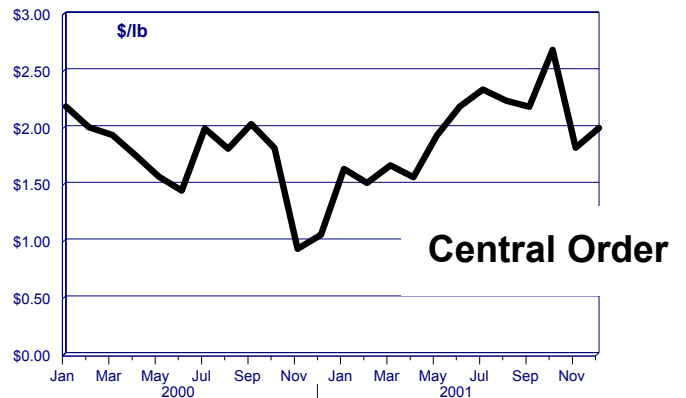
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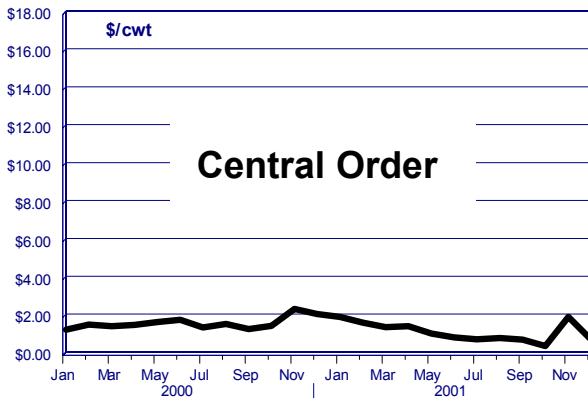
Statistical Uniform Price



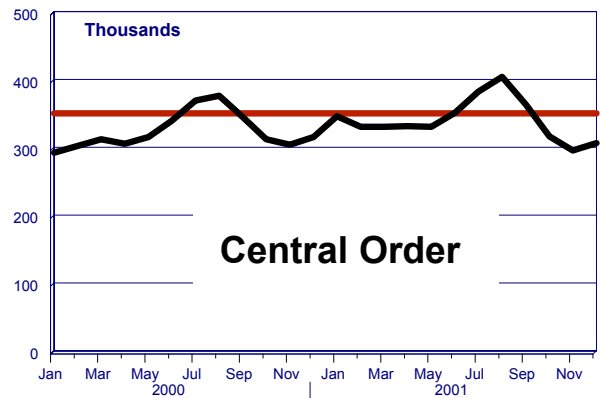
Producer Protein Price



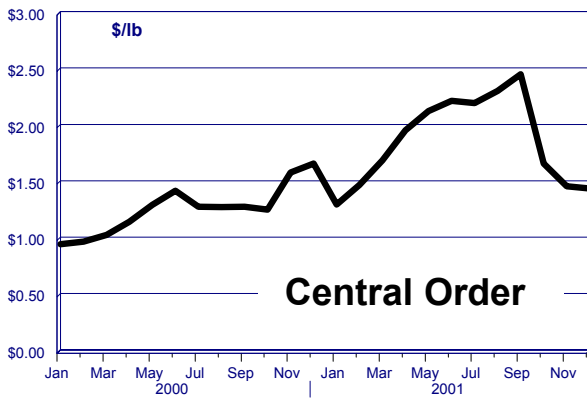
Producer Price Differential



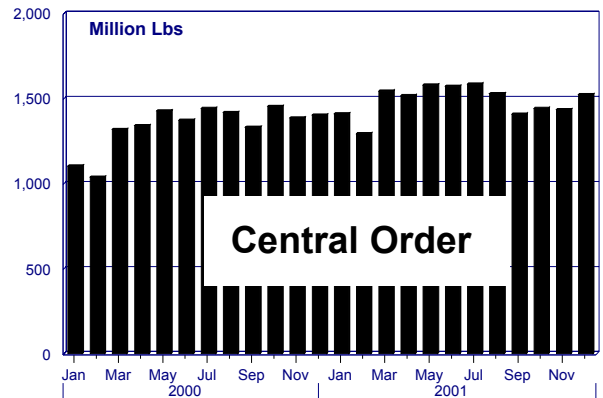
Avg. Somatic Cell Count In Producer Milk



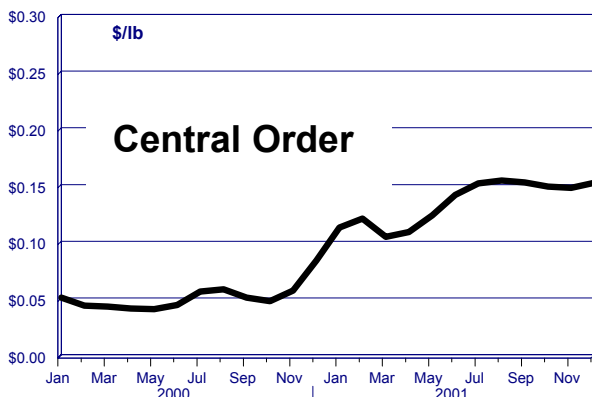
Producer Butterfat Price



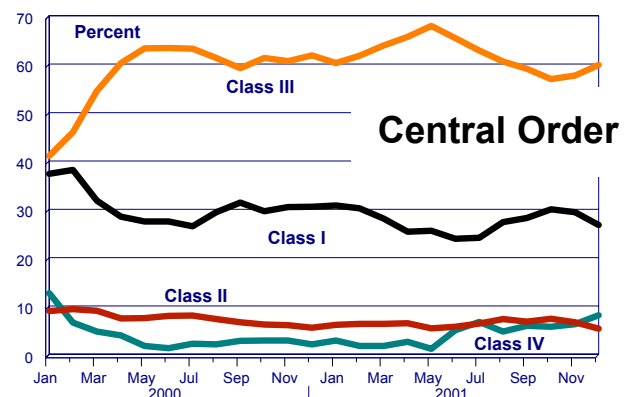
Total Producer Milk Pooled



Producer Other Solids Price

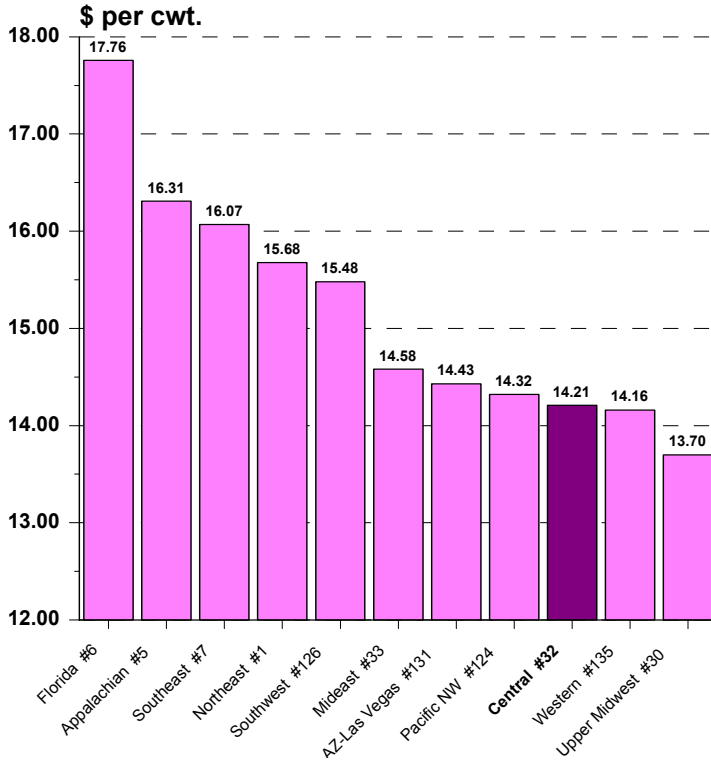


Utilization Of Producer Milk By Class



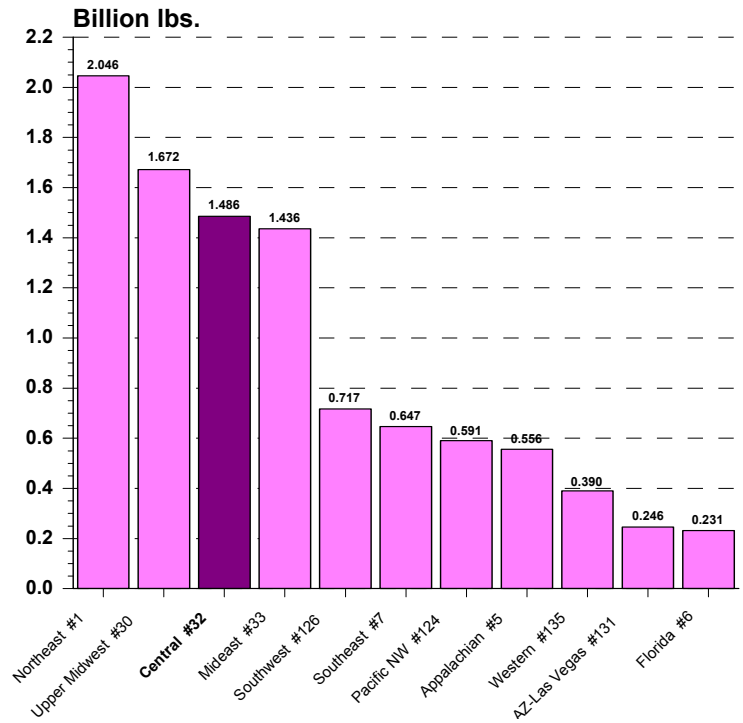
2001 Statistical Uniform Prices

Weighted Average Prices By Federal Milk Order



2001 Producer Receipts

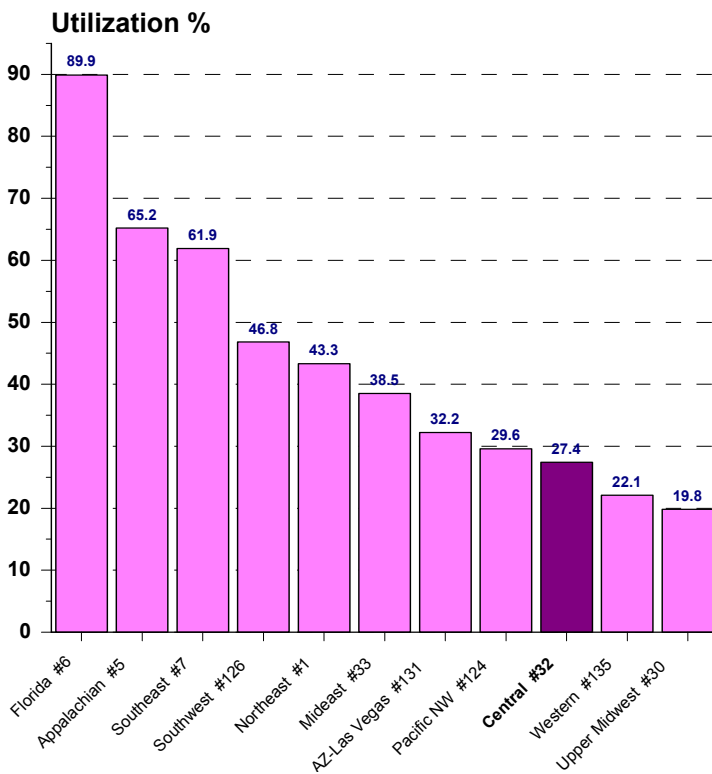
Monthly Average By Federal Milk Order



Federal Order Base Pricing Points: Northeast - Boston, MA; Appalachian - Charlotte, NC; Florida - Tampa, FL; Southeast - Atlanta, GA; Upper Midwest - Chicago, IL; Central - Kansas City, MO; Mideast - Cleveland, OH; Pacific Northwest - Seattle, WA; Southwest - Dallas, TX; Arizona-Las Vegas - Phoenix, AZ and Western - Salt Lake City, UT.

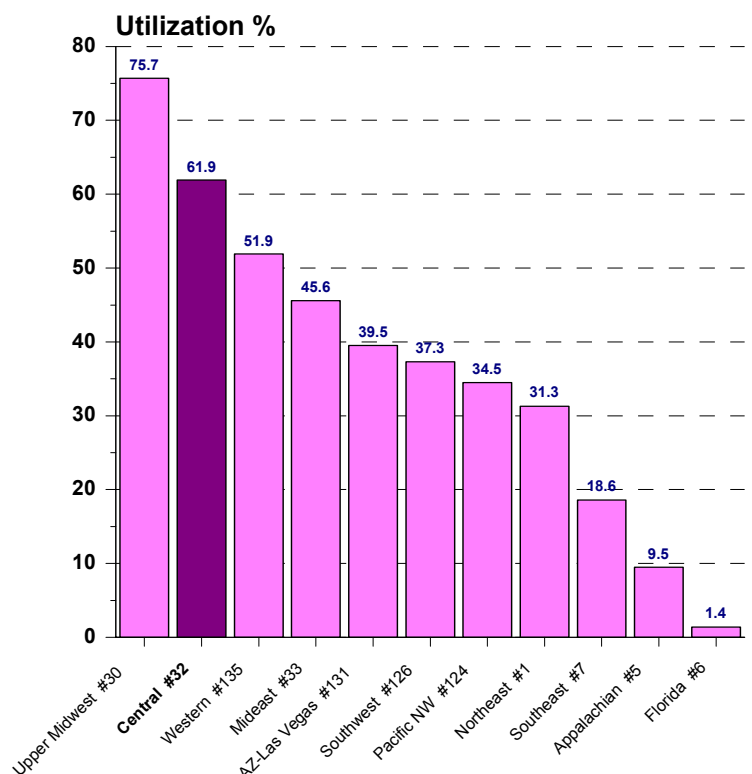
2001 Class I Utilizations

By Federal Milk Order



2001 Class III Utilizations

By Federal Milk Order



	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	12/2001	11/2001	12/2001	11/2001	12/2001	11/2001
Pacific Northwest	12.35	13.30	0.55	1.99	28.29	30.66
Western	12.33	12.87	0.53	1.56	18.39	20.15
Arizona-Las Vegas	12.71	13.73	-----	-----	33.26	35.06
Central	12.46	13.17	0.66	1.86	26.75	29.41
Southwest	13.45	15.08	1.65	3.77	43.29	48.77
Upper Midwest	12.19	12.45	0.39	1.14	18.57	19.75
Southeast	13.95	16.20	-----	-----	57.25	63.91
Mideast	12.64	13.79	0.84	2.48	36.05	39.46
Appalachian	14.16	16.76	-----	-----	65.47	72.82
Northeast	13.72	15.28	1.92	3.97	43.82	47.78
Florida	15.58	18.59	-----	-----	88.81	90.17

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