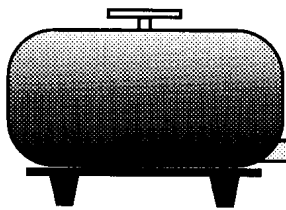


# MARKETING SERVICE

B U L L E T I N



## Where's The Milk? A Look At Where Central Federal Order Milk Comes From. . .

Congressionally mandated federal milk order reform consolidated nine federal milk orders into the Central federal milk order on January 1, 2000. There were 36 distributing plants, 17 supply plants, and 11,115 dairy producers pooled on the

order during July 2000 as a result of this consolidation. In addition, there were 144 nonpool plants receiving milk from producers pooled on the order. This bulletin examines one aspect of the consolidation -- the Central order milkshed, i.e. the location of producers whose milk is associated with these plants.

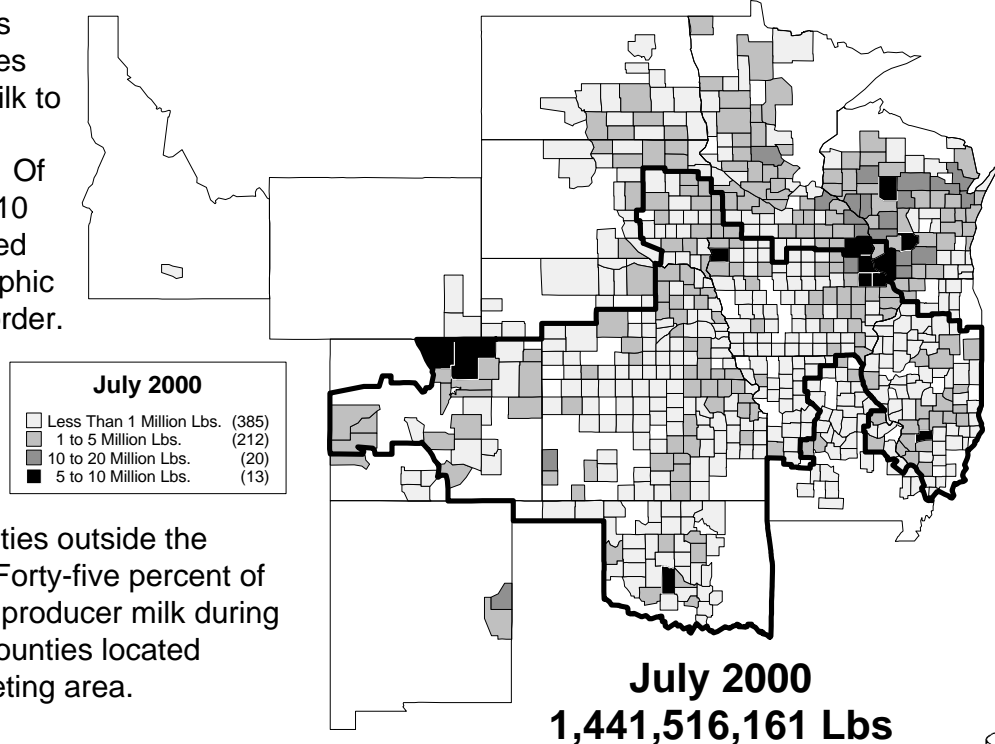
At the inception of federal milk orders, geographic order boundaries were typically small in size and represented a very localized milk supply. The map below uses the Central order to illustrate the regionalization of the order system as the dairy industry has moved away from those initial concepts. Presently the Central order includes 543 counties within 10 states and is 1,200 miles east to west by 800 miles north to south. The Central milkshed covers an area even larger than the already large geographic boundary.

The map depicts milk marketings by county on the Central order. Shading illustrates the volume of marketings from each county with darker shades representing larger volumes of milk. The geographic outline of the Central order is the dark black line. There

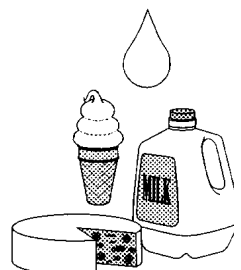
were 630 counties located in 14 states which supplied milk to the Central order during July 2000. Of these counties, 410 (65%) were located inside the geographic boundary of the order.

More significant, however, is the volume of milk supplied to the market from counties outside the marketing area. Forty-five percent of the Central order producer milk during July came from counties located outside the marketing area.

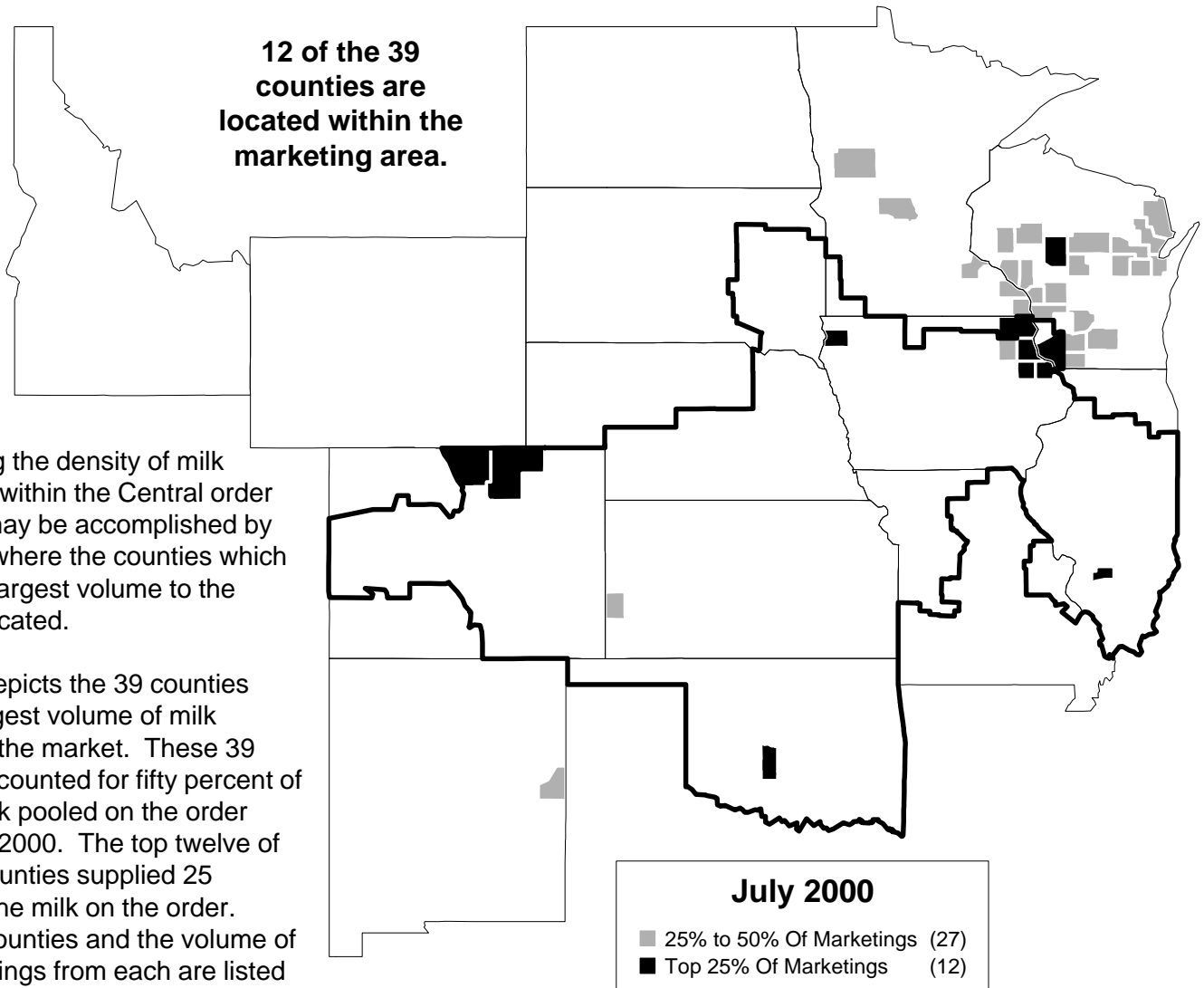
## Central Marketing Area Federal Order Milk Marketings By County - July 2000



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# 39 Counties Marketed 50% Of Central Federal Order Milk Marketings - July 2000



Determining the density of milk marketings within the Central order milk shed may be accomplished by examining where the counties which supply the largest volume to the order are located.

This map depicts the 39 counties with the largest volume of milk supplied to the market. These 39 counties accounted for fifty percent of the total milk pooled on the order during July 2000. The top twelve of these 39 counties supplied 25 percent of the milk on the order. These 12 counties and the volume of milk marketings from each are listed in the table.

## Counties Which Marketed 25% Of The Central Federal Order Milk -- July 2000

Weld	CO	66,985,075
Grant	WI	55,335,456
Dubuque	IA	36,803,415
Grady	OK	23,689,953
Clark	WI	23,124,797
Delaware	IA	22,750,207
Clayton	IA	22,571,444
Sioux	IA	22,312,551
Allamakee	IA	22,177,581
Winneshiek	IA	22,141,698
Larimer	CO	21,967,133
Clinton	IL	21,122,808

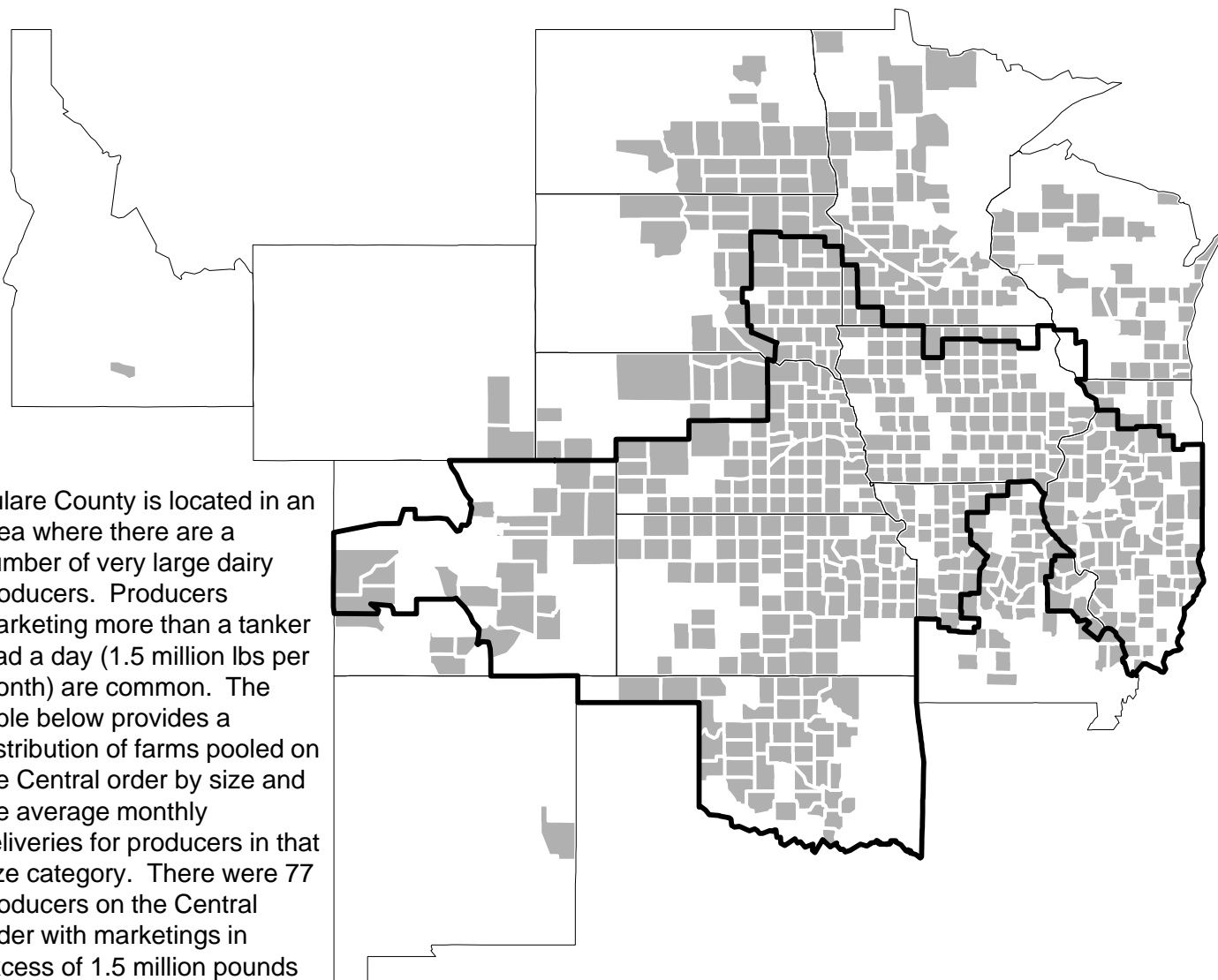
12-County Total	360,982,118
Federal Order Total	1,441,516,161

The size of anything is based on perspective (Is everything bigger in Texas?) and milk volumes are no exception. The map on the next page may be whimsical in its size comparison, but it portrays an underlying issue that is necessary to understand national dairy issues. Size does make a difference that is sometimes difficult to comprehend.

During July 2000, dairy producers in Tulare County, California marketed 635.7 million pounds of milk. This is equivalent to 44 percent of the total milk marketed on the Central order during July. To illustrate the sheer size of marketings from this one county, the counties which supplied the Central order were ranked based on the volume of milk supplied to the order. To match the volume of milk marketed from Tulare County would take the cumulative marketings from the bottom 580 counties on the Central order. This map illustrates the 580 counties needed to market an equivalent amount of milk that comes out of Tulare County.

# Central Federal Order Milk Marketings - July 2000

## Bottom 580 Counties Equal Tulare County CA



Tulare County is located in an area where there are a number of very large dairy producers. Producers marketing more than a tanker load a day (1.5 million lbs per month) are common. The table below provides a distribution of farms pooled on the Central order by size and the average monthly deliveries for producers in that size category. There were 77 producers on the Central order with marketings in excess of 1.5 million pounds during July 2000. However, the majority of the producers (65%) had monthly milk marketings of less than 100,000 pounds and supplied only 27% of the market's milk.

'Pros and Cons' will continue be discussed when considering the merits of structural changes in the producing and processing segments of the dairy industry. However, issues about where milk will come from and from how large or small an area will continue to be discussed. Milk marketings from counties located all over 14 states or from one county alone is something to ponder when anticipating the future.

<u>Range Of Marketings</u>	<u>Farms</u>	<u>% Of Farms</u>	<u>Pound Of Milk</u>	<u>% Of Lbs.</u>	<u>Avg. Lbs. Per Farm</u>
Less Than 100,000 Lbs.	7,235	65.09	390,538,867	27.09	53,979
100,000 to 250,000 Lbs.	3,038	27.33	444,633,422	30.84	146,357
250,000 to 500,000 Lbs.	526	4.73	179,529,196	12.45	341,310
500,000 to 750,000 Lbs.	113	1.02	67,539,604	4.69	597,696
750,000 to 1,000,000 Lbs.	73	0.66	61,973,932	4.30	848,958
1,000,000 to 1,250,000 Lbs.	35	0.32	39,301,432	2.73	1,122,898
1,250,000 to 1,500,000 Lbs.	18	0.16	24,221,591	1.68	1,345,644
Greater Than 1.5 Million Lbs.	77	0.69	233,778,117	16.22	3,036,079
<b>Federal Order Total</b>	<b>11,115</b>	<b>100.00</b>	<b>1,441,516,161</b>	<b>100.00</b>	<b>129,691</b>

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	<u>08/2000</u>	<u>07/2000</u>	<u>08/2000</u>	<u>07/2000</u>	<u>08/2000</u>	<u>07/2000</u>
Pacific Northwest	11.94	12.19	1.81	1.53	28.49	26.40
Western	11.53	11.73	1.40	1.07	27.70	20.12
Arizona-Las Vegas	12.20	12.32	-----	-----	35.39	29.04
<b>Central</b>	<b>11.61</b>	<b>11.95</b>	<b>1.48</b>	<b>1.29</b>	<b>29.37</b>	<b>26.50</b>
Southwest	13.16	13.36	3.03	2.70	48.42	42.02
Upper Midwest	10.97	11.36	0.84	0.70	18.61	16.37
Southeast	14.15	14.23	-----	-----	73.32	65.58
Mideast	12.49	12.68	2.36	2.02	48.85	42.39
Appalachian	14.40	14.46	-----	-----	75.36	69.29
Northeast	13.39	13.52	3.26	2.86	45.24	40.51
Florida	15.68	15.78	-----	-----	91.91	88.51

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