



MARKETING SERVICE

BULLETIN

7% Of Central Federal Milk Order Dairy Farms Market 50% Of Milk

Central federal order milk marketings show dynamic changes as dairy producers, cooperatives and processors continue to seek opportunities maximizing returns by more efficient and profitable methods of pooling milk. Dramatic shifts in the location of farms that supply the order have occurred since the inception of the "reformed" order in January 2000 and as a result of changed pooling provisions in orders adjacent to the Central order. The maps and graphics on page two illustrate how the appearance of the Central order milkshed has been affected by these trends.

A gradual increase in the number of farms pooled on the Central order took place from January 2000 when 7,479 farms marketed milk on the order to a peak of 11,683 farms during June 2001. The number of farms pooled has since declined to a present 9,258 farms in October 2002. The number of farms has been in the nine-thousand range for all of 2002. However, the expected marketings from such a large number of farms may be deceptive. The two tables on this page illustrate how a few farms with relatively large milk marketings make up a disproportionate share of total marketings. Data from the table at the right, indicate that 117 of the largest farms accounted for 25% of the Central order marketings. Each of these farms marketed more than 1.7 million pounds during the month. Including the next 512 farms (with marketings between 410,900 & 1.7 million lbs.) accounted for 50% of the milk on the Central market. Thus, only 7% of the farms marketed 50% of the milk during October 2002.

Central Order Milk Marketings -- October 2002 Ranked From Largest Producer to Smallest

Quartiles	Number Farms	Range Of Milk Marketings Per Farm
1	117	> 1,700,000 Lbs.
2	512	410,900 - 1,700,000 Lbs.
3	2,022	123,960 - 410,900 Lbs.
4	6,607	< 123,960 Lbs.

The table below provides a distribution of farms by size of milk marketings for the Central order. Notably, there were 5,727 farms (down from 7,673 farms in July 2001) which marketed less than 100,000 pounds on the order. These farms accounted for 62% of the farms but only 19% of the milk marketed.

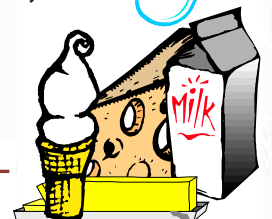
Distribution Of Farms By Size Of Milk Marketings* Central Federal Order - October 2002

Range Of Marketings	Farms	% Of Farms	Pounds Of Milk	% Of Lbs.	Avg. Lbs. Per Farm
< 100,000 Lbs.	5,727	61.86	307,715,112	18.96	53,731
100,000 to 250,000 Lbs.	2,465	26.63	365,788,654	22.54	148,393
250,000 to 500,000 Lbs.	551	5.95	189,746,143	11.69	344,367
500,000 to 750,000 Lbs.	177	1.91	108,079,789	6.66	610,620
750,000 to 1 Million Lbs.	96	1.04	83,236,592	5.13	867,048
1 to 1.250 Million Lbs.	57	0.62	63,667,336	3.92	1,116,971
1.250 to 1.5 Million Lbs.	46	0.50	63,118,788	3.89	1,372,148
> 1.5 Million Lbs.	139	1.50	441,782,188	27.22	3,178,289
Federal Order Total	9,258	100.00	1,623,134,602	100.00	175,322

* There is no requirement that the total monthly production of a farm be pooled on the order. The data contained in this bulletin represent only the pounds of milk marketed on the Central federal milk order.

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The location of dairy producers and the volume of milk pooled on the Central federal milk order continue to change over time.

These maps illustrate the location and density of milk marketings during January 2000 and October 2002. During January 2000, 79% of the milk pooled came from counties located within the marketing area. This decreased to 51% by October 2002.

The graphics below further depict changes in the relationships between states. Milk marketings and number of producers for selected states during 2000 and 2002 are provided.

January 2000

1.103 Billion Lbs.
 Inside Area -- 874 Million Lbs.
 Outside Area -- 229 Million Lbs.

October 2002

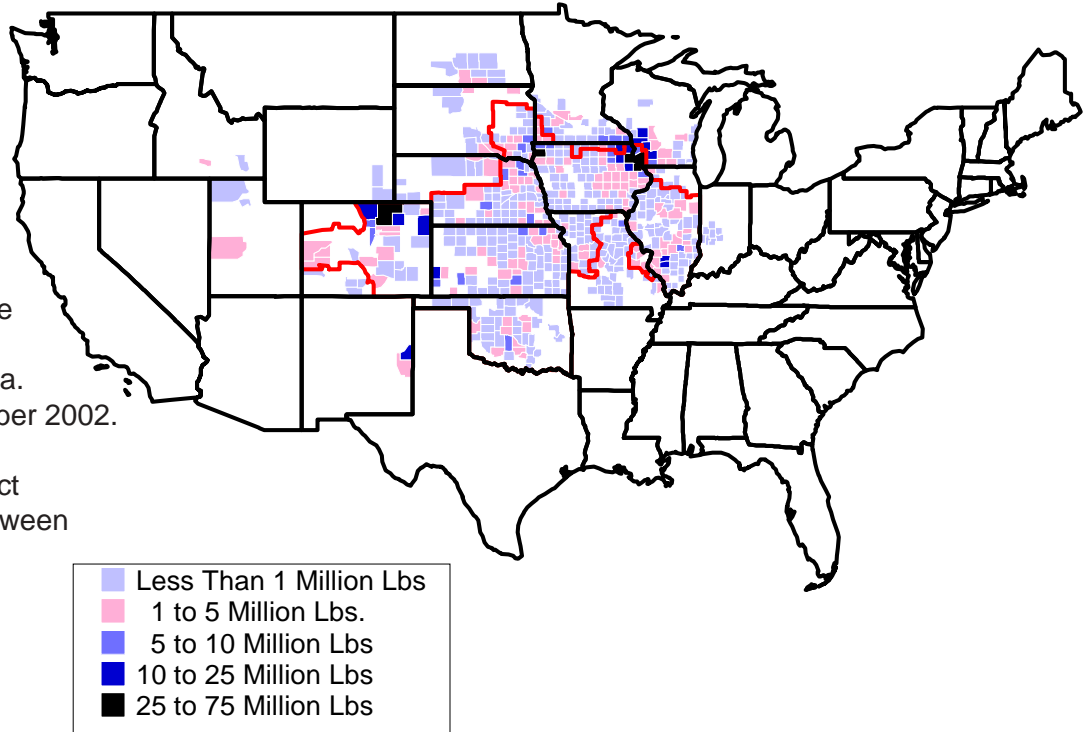
1.623 Billion Lbs.
 Inside Area -- 821 Million Lbs.
 Outside Area -- 802 Million Lbs.

Change: Jan '00 to Oct '02

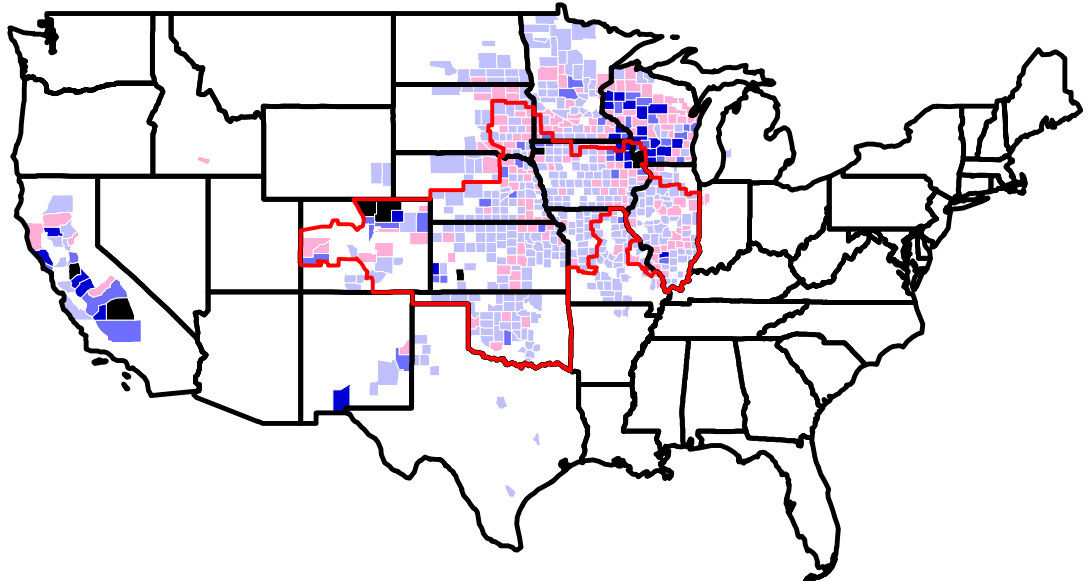
Up 520 Million Lbs.
 Inside Area -- Down 54 Million Lbs.
 Outside Area -- Up 573 Million Lbs.

Wisconsin + 263 Million Lbs.
 Minnesota + 82 Million Lbs.
 California + 206 Million Lbs.

Central Federal Order Milk Marketings -- January 2000

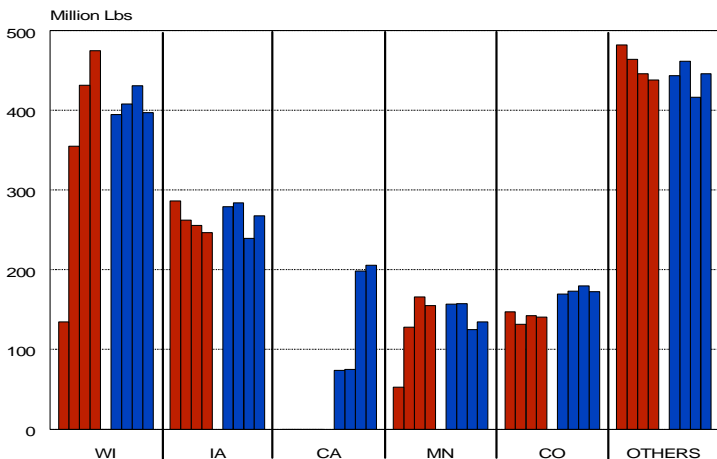


Central Federal Order Milk Marketings -- October 2002



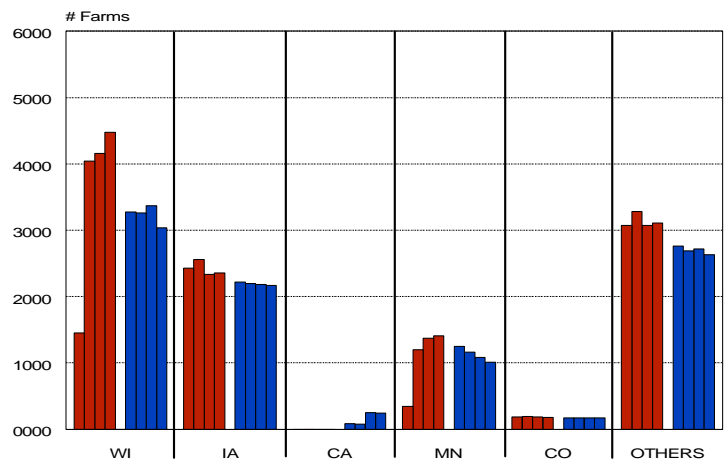
Central Producer Milk By State

Jan / Apr / Jul / Oct of 2000 & 2002



Central Producers By State

Jan / Apr / Jul / Oct of 2000 & 2001

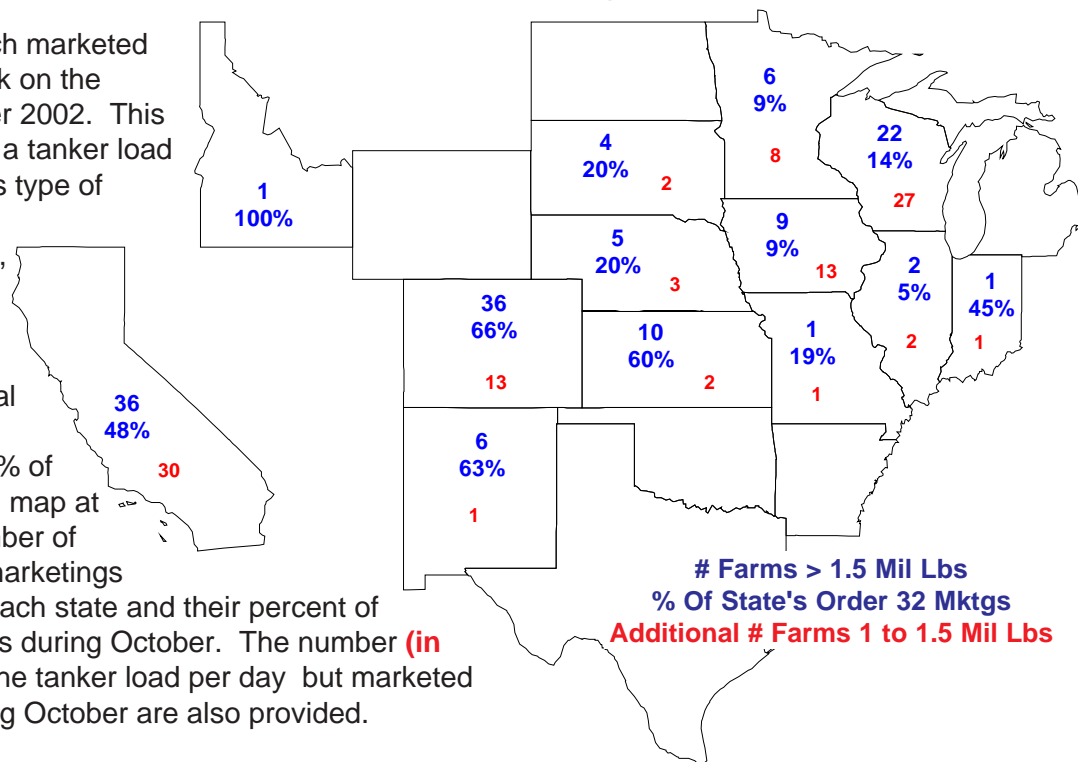


Number Of Farms Marketing More Than 1.5 Million Pounds (About A Tanker Load Per Day For Each Farm) AND Their Portion Of Each State's Central Order Marketings -- October 2002

There were 139 producers who each marketed more than 1.5 million pounds of milk on the Central federal order during October 2002. This volume of milk approximates about a tanker load per day. Some have referred to this type of producer as a milk plant on wheels.

With a tanker load of milk each day, this milk is very mobile and can be directed to numerous locations as needed. These 139 producers accounted for only 1.50% of the total producers on the Central market.

However, they accounted for 27.22% of the milk pooled on the market. The map at the right provides (in blue) the number of producers with Central order milk marketings greater than 1.5 million pounds in each state and their percent of that state's Central order marketings during October. The number (in red) of producers which fell under the tanker load per day but marketed more than one million pounds during October are also provided.



The table below provides additional data by state. The total Central order marketings and the total number of Central order producers are listed. Information on producers with more than 1.5 million pounds is listed for each state.

Oct '02 State	Pounds Of Milk Pooled Central Order	Total Farms Pooled	Farms Marketing More Than 1.5 Million Pounds		
			Number Of Farms	Oct '02 Pounds	% Of State Pounds
AR	115,968	3			
CA	205,630,768	246	36	99,718,569	48.49
CO	172,350,482	168	36	113,635,817	65.93
ID	1,829,160	1	1	1,829,160	100.00
IL	91,603,786	724	2	4,693,962	5.12
IN	3,896,840	4	1	1,742,700	44.72
IA	267,467,057	2,169	9	24,372,239	9.11
KS	123,581,244	447	10	73,881,750	59.78
MI	97,560	1			
MN	134,711,457	1,012	6	12,433,413	9.23
MO	33,380,342	325	1	6,213,065	18.61
NE	75,698,942	458	5	15,355,806	20.29
NM	33,704,729	44	6	21,112,372	62.64
ND	3,279,596	43			
OK	22,168,426	185			
SD	51,617,223	376	4	10,438,126	20.22
TX	3,995,459	16			
WI	397,342,724	3,032	22	56,355,209	14.18
WY	662,839	4			
Total	1,623,134,602	9,258	139	441,782,188	27.22

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	11/2002	10/2002	11/2002	10/2002	11/2002	10/2002
Pacific Northwest	10.84	10.94	1.00	0.22	29.98	28.68
Western	10.65	11.01	0.81	0.29	24.24	20.09
Arizona-Las Vegas	11.14	11.38	-----	-----	34.52	35.73
Central	10.74	11.18	0.90	0.46	27.39	26.75
Southwest	11.97	12.07	2.13	1.35	46.59	45.64
Upper Midwest	10.43	11.03	0.59	0.31	20.94	23.50
Southeast	12.84	12.81	-----	-----	67.58	69.68
Mideast	11.17	11.32	1.33	0.60	43.02	40.10
Appalachian	13.06	12.91	-----	-----	71.63	75.85
Northeast	12.31	12.40	2.47	1.68	47.19	48.50
Florida	14.32	14.03	-----	-----	90.42	91.74

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