

MARKETING SERVICE

B U L L E T I N

5.1% of Central Federal Order Farms Market 50% of Pooled Milk

Central federal order milk marketings have undergone dynamic changes as dairy producers, cooperatives and processors seek opportunities which maximize returns through milk pooling practices. Dramatic shifts in the location of farms that supply Central order regulated handlers have occurred since the inception of the "reformed" order in January 2000, and also from pooling provision changes in the Central and adjacent orders. Milk from farms located in California became associated with the order and were later removed as pooling provisions were tightened. In recent years negative Producer Price Differentials (PPDs) resulted in substantial amounts of milk, previously associated with the order, being "De-Pooled" due to Class price alignments.

The number of farms with marketings pooled on the Central order increased from 7,479 in January 2000 to a peak of 11,683 farms during June 2001. This number has declined to less than half of the peak, with 5,550 farms marketing milk on the order during October 2005. The tables on the first two pages of this bulletin provide distribution data for farms by amount of milk marketings pooled on the Central order during October 2005.

A relatively small number of farms with large milk marketings make up a disproportionate share of the Central order total. This is also true for many of the states that have producers supplying the order, as indicated by the table on page two. Moreover, data from the **red** table on this page indicates that 62 of the largest farms accounted for 25% of the Central order marketings during October 2005. Each of these farms marketed more than 3.175 million pounds during the month. Half of the milk on the Central order in October was accounted for by including the next 223 farms - these farms had marketings between 740,600 & 3.175 million lbs. Thus, 5.1% of the farms marketed 50% of the milk during October 2005. The table below provides a farm distribution based on the amount of milk marketed on the Central order. Notably, there were 3,077 farms (down from 5,727 farms in October 2002) which marketed less than 100,000 pounds on the order. These producers accounted for 55% of the farms but only 13% of the milk marketed.

Central Order Eligible Milk Marketings Ranked From Largest Producer to Smallest October 2005

Quartiles	# of Farms	Range Of Milk Marketings Per Farm
1	62	3,175,000 - 15,800,000 lbs.
2	223	740,600 - 3,175,000 lbs.
3	1,045	167,025 - 740,600 lbs.
4	4,220	< 167,025 lbs.

Distribution Of Farms By Amount Of Pooled Milk Marketings* - October 2005

Range Of Marketings	Farms	% Of Farms	Pounds Of Milk	% Of Lbs.	Avg. Lbs. Per Farm
< 100,000 Lbs.	3,077	55.44	167,345,109	13.28	54,386
100,000 to 250,000 Lbs.	1,673	30.14	254,959,247	20.23	152,396
250,000 to 500,000 Lbs.	394	7.10	133,573,003	10.60	339,018
500,000 to 750,000 Lbs.	125	2.25	76,955,910	6.11	615,647
750,000 to 1 Million Lbs.	73	1.32	64,067,771	5.08	877,641
1 to 1.250 Million Lbs.	43	0.78	48,094,194	3.81	1,118,470
1.250 to 1.500 Million Lbs.	28	0.50	38,479,394	3.05	1,374,264
> 1.500 Million Lbs.	137	2.47	476,850,458	37.84	3,480,660
Federal Order Total	5,550	100.00	1,260,325,086	100.00	227,086

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

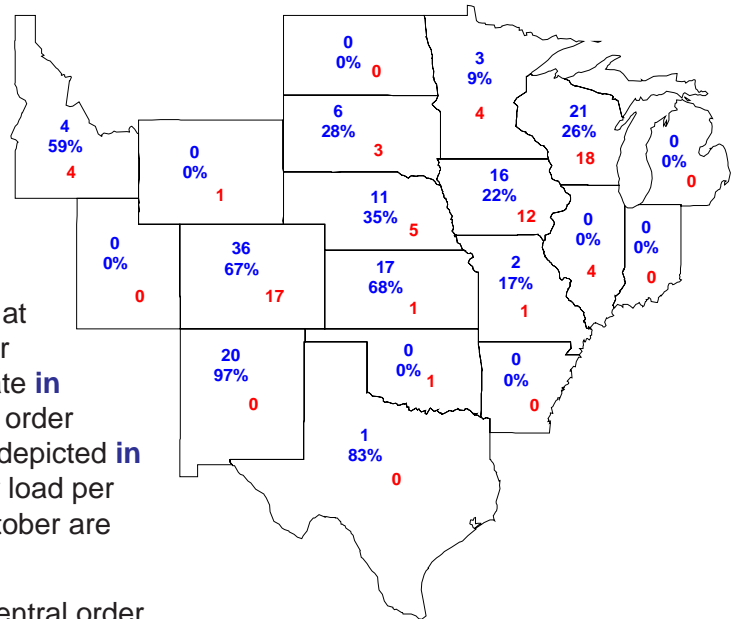
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Number Of Farms Marketing More Than 1.5 Million Pounds (About A Tanker Load Per Day For Each Farm) AND Their Portion Of Each State's Central Order Marketings -- October 2005

During October 2005 there were 137 individual producers that marketed at least 1.5 million pounds of milk on the Central federal order. Farms marketing this volume of milk, which approximates a tanker load per day, are sometimes referred to as a milk plant on wheels. A tanker load of milk each day is very mobile and can be readily directed to different locations as needed. Although these 137 producers accounted for only 2.5% of the total producers on the Central market, their marketings comprised 37.8% of the milk pooled. The map at the right depicts the number of producers with Central order milk marketings greater than 1.5 million pounds in each state in **blue**. The corresponding percentage of the state's Central order marketings accounted for by these large producers is also depicted in **blue**. The number of producers which fell under the tanker load per day but had marketings over one million pounds during October are noted in **red**.



Farms > 1.5 Mil Lbs
% Of State's Order 32 Mktgs
Farms 1 to 1.5 Mil Lbs

The table below provides additional data by state. **Total** Central order marketings and number of farms are listed on the left side of the table. Information for producers with more than **1.5 million** pounds pooled is listed for each state on the right side.

<u>Central Order - October '05</u>			<u>Farms Marketing More Than 1.5 Million Pounds</u>		
<u>State</u>	<u>Pounds of Milk Pooled</u>	<u># of Farms</u>	<u>Number of Farms</u>	<u>Oct '05 Pounds</u>	<u>% of State Pounds</u>
AR	601,736	5	0	0	0
CO	181,567,676	153	36	122,530,530	67.48
ID	21,406,699	26	4	12,563,931	58.69
IL	81,406,033	602	0	0	0
IN	737,460	8	0	0	0
IA	245,084,527	1,507	16	53,143,519	21.68
KS	137,698,886	377	17	93,562,077	67.95
MI	201,944	2	0	0	0
MN	62,338,084	378	3	5,459,880	8.76
MO	47,079,724	395	2	8,077,943	17.16
NE	86,453,247	373	11	29,902,472	34.59
NM	72,644,381	33	20	70,720,983	97.35
ND	2,581,122	27	0	0	0
OK	22,267,045	166	0	0	0
SD	69,484,102	372	6	19,659,758	28.29
TX	5,444,470	3	1	4,529,848	83.20
UT	240,923	1	0	0	0
WI	220,406,877	1,116	21	56,699,517	25.72
WY	2,680,150	6	0	0	0
Total	1,260,325,086	5,550	137	476,850,458	37.84

The location of dairy producers and the volume of milk pooled on the Central federal milk order continues to change over time. The maps on this page illustrate the location and density of milk marketings during January 2000 and October 2005. During January 2000, 79% of the milk pooled came from counties located within the marketing area. This decreased to 68% by October 2005.

January 2000

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

October 2005

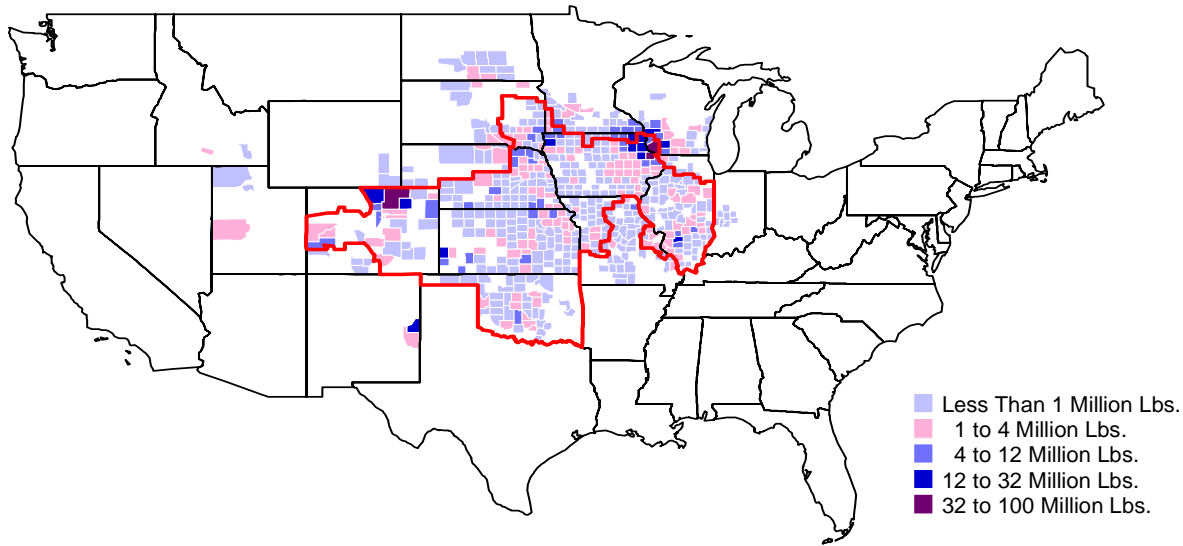
1.260 Billion Lbs.
 Inside Area -- 851 Million Lbs.
 Outside Area -- 409 Million Lbs.

Change: Jan '00 to Oct '05

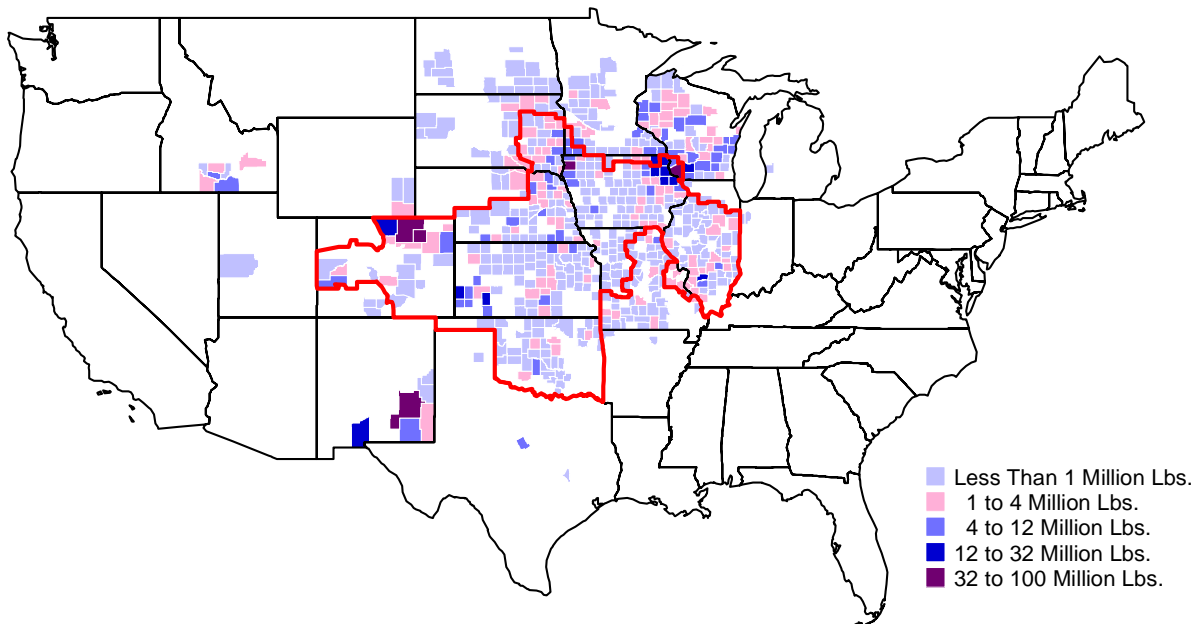
Up 157 Million Lbs.
 Inside Area -- Down 23 Million Lbs.
 Outside Area -- Up 180 Million Lbs.

Central Federal Order Milk Marketings Pooled

January 2000



October 2005



	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	11/2005	10/2005	11/2005	10/2005	11/2005	10/2005
Pacific Northwest	13.91	14.46	0.56	0.11	30.69	28.34
Arizona-Las Vegas	14.50	15.03	-----	-----	37.25	35.45
Central	14.06	14.70	0.71	0.35	30.26	29.61
Southwest	15.15	15.58	1.80	1.23	43.11	42.75
Upper Midwest	13.79	14.59	0.44	0.24	18.62	17.88
Southeast	16.22	16.49	-----	-----	67.42	68.28
Mideast	14.35	14.91	1.00	0.56	40.00	38.86
Appalachian	16.30	16.48	-----	-----	69.93	69.30
Northeast	15.41	15.88	2.06	1.53	48.73	48.22
Florida	17.71	17.69	-----	-----	88.23	87.17

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