

MARKETING SERVICE

B U L L E T I N

4.6% 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. Recent order revisions will likely produce additional changes in the Central order "milkshed".

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 4,989 farms marketing milk on the order during October 2006. 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 2006.

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 51 of the largest farms accounted for 25% of the Central order marketings during October 2006. Each of these farms marketed more than 3.312 million pounds during the month. Half of the milk on the Central order in October was accounted for by including the next 180 farms - these farms had marketings between 0.793 & 3.312 million lbs. Thus, 4.6% of the farms marketed 50% of the milk during October 2006. The table below provides a farm distribution based on the amount of milk marketed on the Central order. Notably, there were 2,782 farms (down from 5,727 farms in October 2002) which marketed less than 100,000 pounds on the order. These producers accounted- for over 55% of the farms but only 13% of the milk marketed.

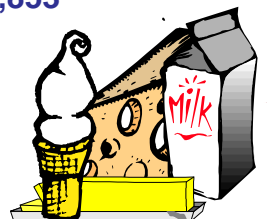
**Central Order Eligible Milk Marketings
Ranked From Largest Producer to Smallest
October 2006**

Quartiles	# of Farms	Range Of Milk Marketings Per Farm
1	51	3,312,600 - 16,756,850 lbs.
2	180	793,200 - 3,312,600 lbs.
3	928	173,400 - 793,200 lbs.
4	3,830	< 173,400 lbs.

Distribution Of Farms By Amount Of Pooled Milk Marketings* - October 2006

Range Of Marketings	Farms	% Of Farms	Pounds Of Milk	% Of Lbs.	Avg. Lbs. Per Farm
< 100,000 Lbs.	2,782	55.76	148,478,397	13.01	53,371
100,000 to 250,000 Lbs.	1,510	30.27	231,436,744	20.27	153,269
250,000 to 500,000 Lbs.	353	7.08	120,239,423	10.53	340,622
500,000 to 750,000 Lbs.	100	2.00	61,217,145	5.36	612,171
750,000 to 1 Million Lbs.	62	1.24	53,534,465	4.69	863,459
1 to 1.250 Million Lbs.	33	0.66	37,145,653	3.25	1,125,626
1.250 to 1.500 Million Lbs.	27	0.54	37,878,651	3.32	1,402,913
> 1.500 Million Lbs.	122	2.45	451,818,515	39.57	3,703,430
Federal Order Total	4,989	100.00	1,141,748,993	100.00	228,853

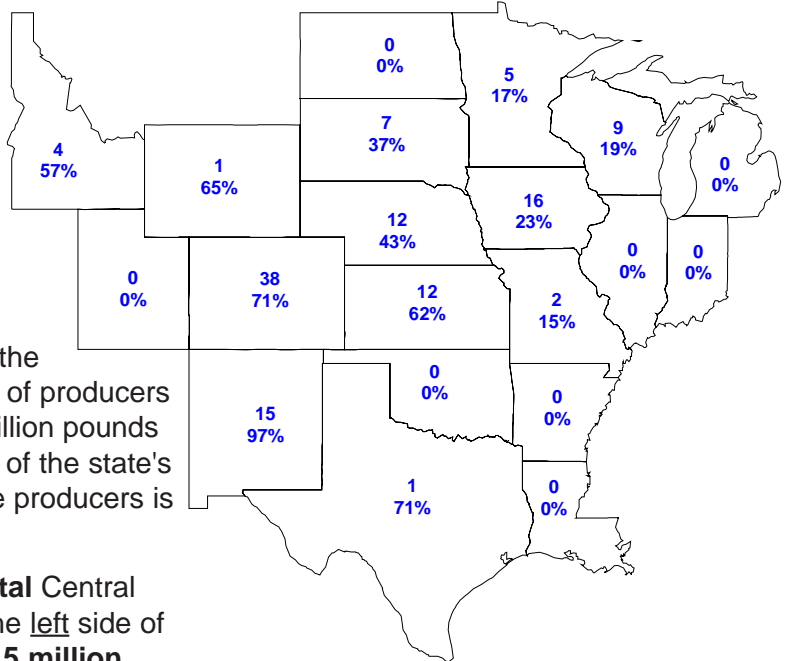
* There is no requirement that the total monthly production of a farm be pooled on the order. The data contained in this bulletin represents the pounds of milk marketed on the Central federal milk order.



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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 2006

During October 2006 there were 122 individual producers that marketed more than 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 122 producers accounted for only 2.4% of the total producers on the Central market, their marketings comprised 39.6% 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 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.

**# Farms > 1.5 Mil Lbs
% Of State's Order 32 Mktgs**

<u>Central Order - October '06</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 '06 Pounds</u>	<u>% of State Pounds</u>
AR	638,887	5	0	0	0
CO	199,814,610	143	38	141,632,139	70.88
ID	19,967,148	22	4	11,473,835	57.46
IL	79,178,417	611	0	0	0
IN	1,456,040	10	0	0	0
IA	241,955,503	1,437	16	56,635,047	23.41
KS	117,341,796	359	12	72,974,874	62.19
LA	69,017	2	0	0	0
MI	197,140	2	0	0	0
MN	56,390,421	307	5	9,710,854	17.22
MO	42,219,740	380	2	6,280,866	14.88
NE	88,049,950	345	12	37,468,115	42.55
NM	57,620,067	17	15	55,646,266	96.57
ND	1,769,964	19	0	0	0
OK	21,199,317	151	0	0	0
SD	72,545,777	329	7	27,004,237	37.22
TX	6,702,076	4	1	4,758,350	71.00
WI	128,184,117	840	9	24,139,242	18.83
WY	6,449,006	6	1	4,187,020	64.93
Total	1,141,748,993	4,989	122	451,910,845	39.58

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 2006. During January 2000, 79% of the milk pooled came from counties located within the marketing area. This compares to 74% in October 2006.

January 2000

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

October 2006

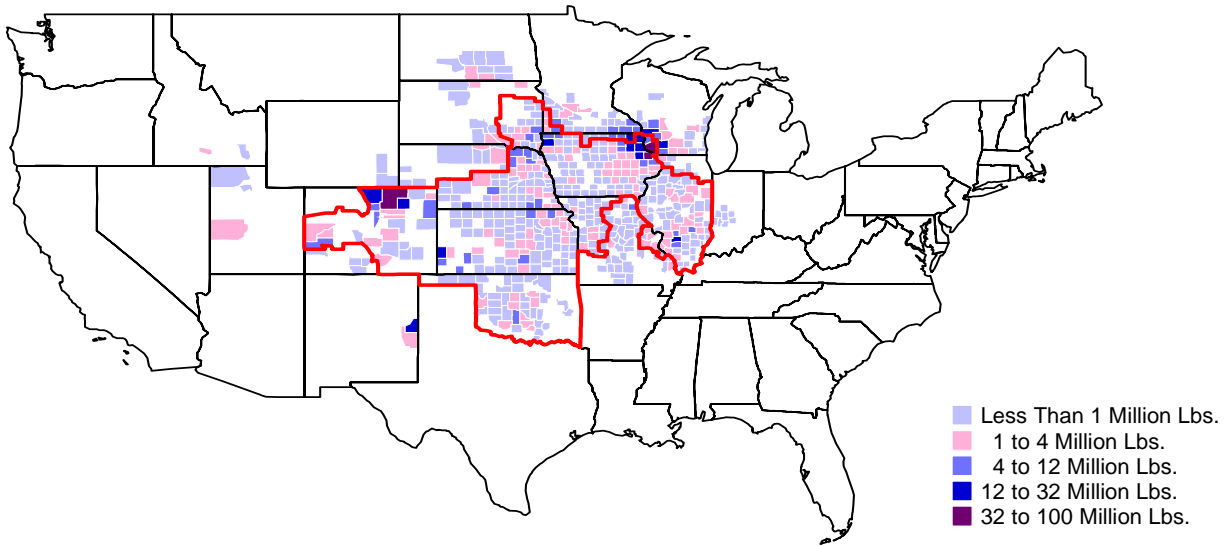
1.142 Billion Lbs.
 Inside Area -- 840 Million Lbs.
 Outside Area -- 302 Million Lbs.

Change: Jan '00 to Oct '06

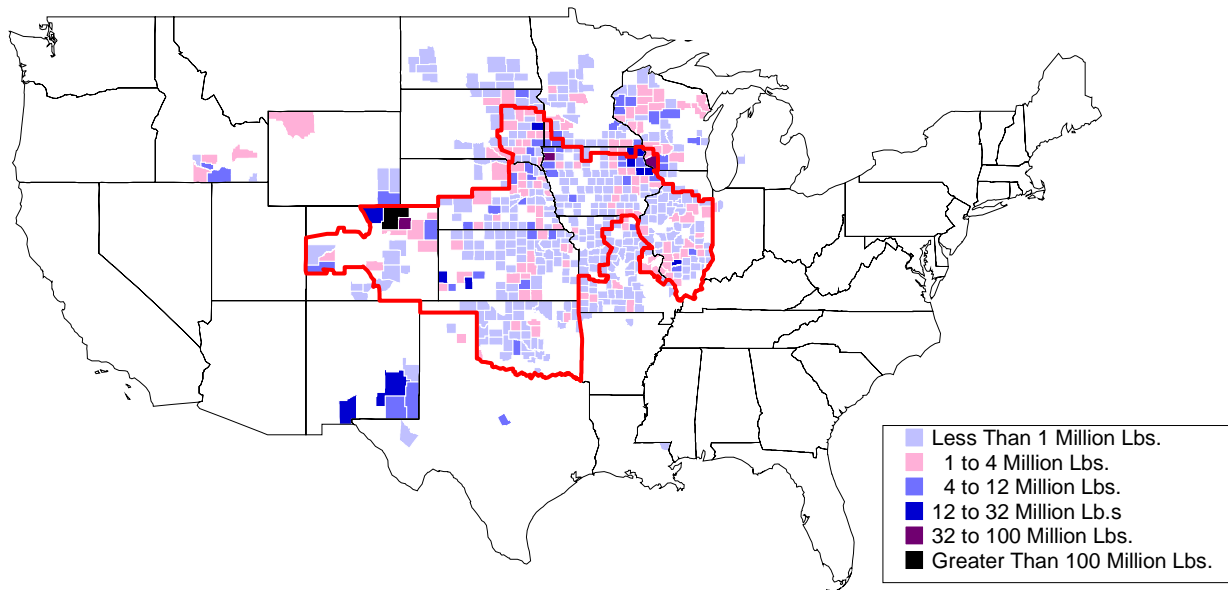
Up 39 Million Lbs.
 Inside Area -- Down 34 Million Lbs.
 Outside Area -- Up 73 Million Lbs.

Central Federal Order Milk Marketings Pooled

January 2000



October 2006



	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov '06	Oct '06	Nov '06	Oct '06	Nov '06	Oct '06
Northeast	14.21	14.04	1.37	1.72	52.26	51.58
Appalachian	14.68	14.58	-----	-----	71.38	70.37
Florida	15.88	15.73	-----	-----	87.86	84.60
Southeast	14.68	14.60	-----	-----	65.22	65.88
Upper Midwest	12.96	12.56	0.12	0.24	16.77	16.59
Central	12.96	12.73	0.12	0.41	38.66	33.36
Mideast	13.13	12.91	0.29	0.59	43.82	42.40
Pacific Northwest	12.85	12.52	0.01	0.20	33.19	31.85
Southwest	13.83	13.65	0.99	1.33	38.24	40.01
Arizona	13.49	13.24	-----	-----	42.39	42.42

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FEDERAL MILK MARKET ADMINISTRATOR
P.O. BOX 14650
SHAWNEE MISSION, KANSAS 66285-4650

Website: www.fmmacentral.com
E-mail: market.administrator@fmmacentral.com
Phone: 913-495-9300

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