

MARKETING SERVICE

BULLETIN

3.6% 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. Many of these changes are attributable to revisions in pooling provisions for either the Central order or adjacent federal milk orders. Milk from distant locations, such as California, became associated with the order but were later removed as pooling provisions were tightened. During several years large negative Producer Price Differentials (PPD's) resulted in substantial amounts of milk, previously associated with the order, being "depooled" due to Class price alignments. Revisions to order pooling provisions have resulted in smaller amounts of "depooled" milk in recent years, however. These order language revisions, along with changing industry pooling practices, continue to alter the footprint of 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 27% of the peak, with 3,126 farms marketing milk on the order during October 2010. The tables on the first two pages of this bulletin provide distribution data by farm size based on October 2010 Central order milk marketings.

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 table above indicates that 36 of the largest farms accounted for 25% of Central order marketings during October 2010. Each of these farms marketed more than 5.922 million pounds during the month. Half of the milk on the Central order in October was accounted for by including the next 75 farms - these farms had marketings between 2.510 & 5.851 million pounds. Thus, 3.6% of the farms marketed 50% of the milk during October 2010. The table below provides a farm distribution based on the amount of milk marketed on the Central order. Notably, there were 1,598 farms (down from 5,727 farms in October 2002) which marketed less than 100,000 pounds on the order. These producers accounted for over 51% of the farms but less than 7% of the milk marketed.

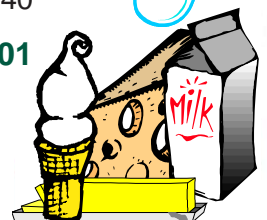
Central Order Eligible Milk Marketings Ranked From Largest Producer to Smallest October 2010

Quartiles	# of Farms	Range Of Milk Marketings Per Farm
1	36	5,921,742 - 17,304,000 lbs.
2	75	2,510,385 - 5,850,600 lbs.
3	301	405,181 - 2,487,875 lbs.
4	2,714	< 403,140 lbs.

Distribution of Farms by Amount of Pooled Marketings* - October 2010

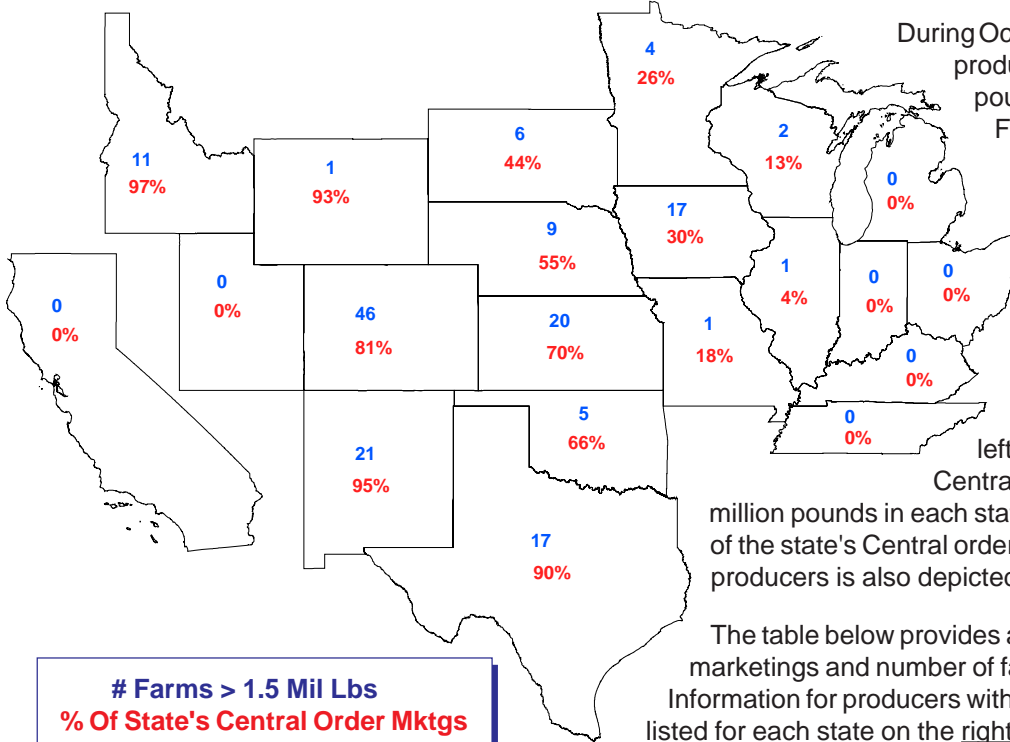
Range Of Marketings	Farms	% Of Farms	Pounds Of Milk	% Of Lbs.	Avg. Lbs. Per Farm
< 100,000 Lbs.	1,598	51.12	80,795,873	6.94	50,561
100,000 to 250,000 Lbs.	884	28.28	136,703,182	11.75	154,642
250,000 to 500,000 Lbs.	292	9.34	99,941,036	8.59	342,264
500,000 to 750,000 Lbs.	83	2.66	51,194,861	4.40	616,806
750,000 to 1 Million Lbs.	50	1.60	42,963,291	3.69	859,266
1 to 1.250 Million Lbs.	30	0.96	33,556,555	2.88	1,118,552
1.250 to 1.500 Million Lbs.	28	0.89	38,781,404	3.33	1,385,050
> 1.500 Million Lbs.	161	5.15	679,877,297	58.42	4,222,840
Federal Order Total	3,126	100.00	1,163,813,499	100.00	372,301

* 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.



DECEMBER 2010

Number Of Farms Marketing More Than 1.5 Million Pounds (About A Tanker Load Per Day For Each Farm) & Their Portion Of Each State's Central Order Marketings -- October 2010



During October 2010 there were 161 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 161 producers accounted for only 5.15% of the total producers on the Central market, their marketings comprised 58.42% of the milk pooled. The map at the left 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 red**.

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.

Central Order - October '10

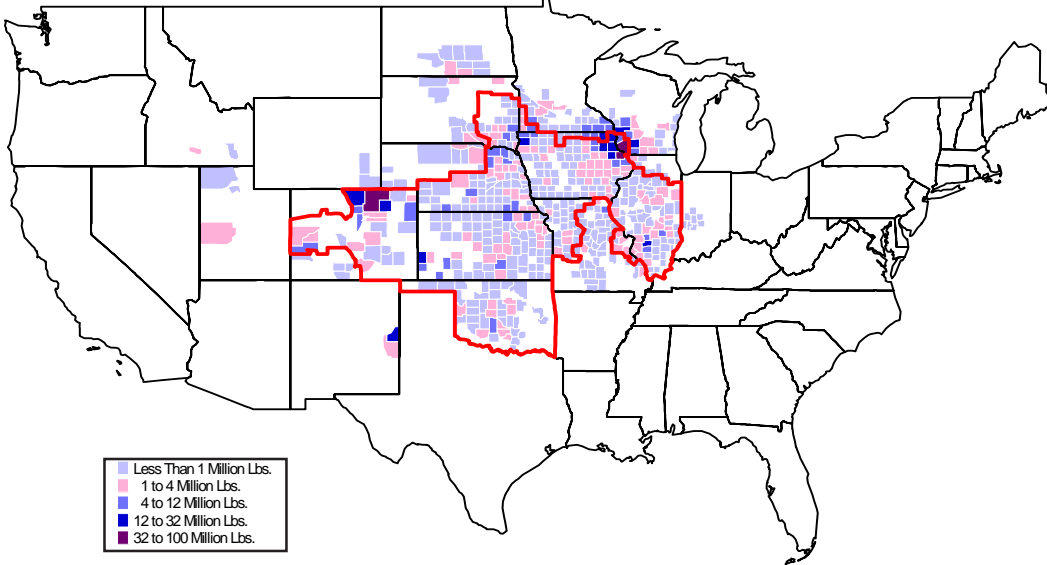
State	Pounds of Milk Pooled	# of Farms
CA	305,738	3
CO	233,040,035	119
ID	60,932,296	19
IL	65,953,718	441
IN	780,672	10
IA	236,602,912	1,100
KS	122,192,165	273
KY	161,522	1
MI	1,970,588	18
MN	31,147,785	89
MO	30,074,521	234
NE	81,271,306	218
NM	95,919,793	31
OH	100,186	1
OK	45,695,219	112
SD	52,052,002	158
TN	447,850	5
TX	66,553,378	27
UT	3,084	1
WI	31,020,129	262
WY	7,588,600	4
Total	1,163,813,499	3,126

Farms Marketing More Than 1.5 Million Pounds

Number of Farms	Oct '10 Pounds	% of State Pounds
0	0	0
46	189,649,417	81.38
11	59,272,375	97.28
1	2,478,048	3.76
0	0	0
17	70,606,160	29.84
20	85,458,870	69.94
0	0	0
0	0	0
4	8,022,572	25.76
1	5,308,559	17.65
9	44,305,396	54.52
21	90,950,980	94.82
0	0	0
5	30,246,572	66.19
6	22,744,981	43.70
0	0	0
17	59,602,180	89.56
0	0	0
2	4,187,027	13.50
1	7,044,160	92.83
161	679,877,297	58.42

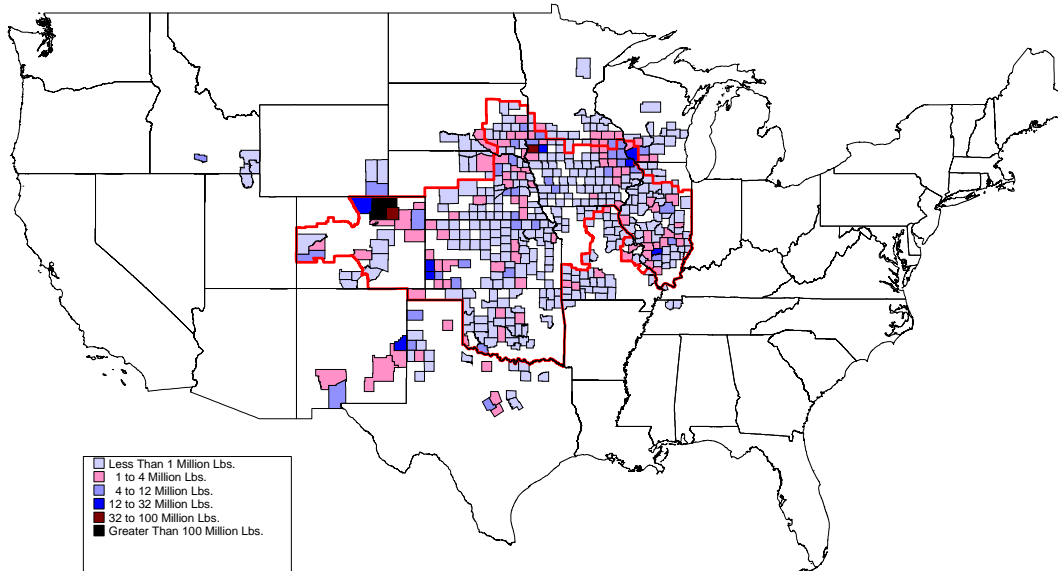
Central Federal Order Milk Marketings

January 2000



The location of dairy producers and the volume of milk pooled on the Central federal milk order continues to evolve over time, as indicated by the maps on this page. The location and density of milk marketings for January 2000, October 2008, and October 2010 are depicted to illustrate this fact. During January 2000, 79% of the milk pooled came from inside the Central marketing area, compared to 83% in October 2008 and 74% in October 2010.

October 2008



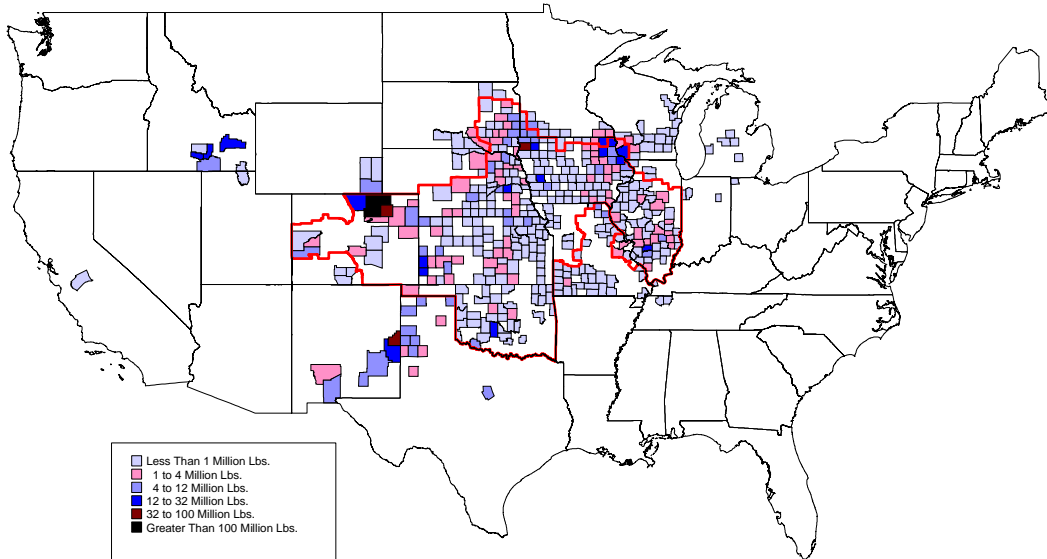
January 2000

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

October 2008

0.927 Billion Lbs.
 Inside Area -- 769 Million Lbs.
 Outside Area -- 158 Million Lbs.

October 2010



October 2010

1.164 Billion Lbs.
 Inside Area -- 857 Million Lbs.
 Outside Area -- 307 Million Lbs.

Change: Jan '00 to Oct '10

Up 61 Million Lbs.
 Inside Area -- **Down** 17 Million Lbs.
 Outside Area -- **Up** 78 Million Lbs.

Change: Oct '08 to Oct '10

Up 237 Million Lbs.
 Inside Area -- **Up** 88 Million Lbs.
 Outside Area -- **Up** 149 Million Lbs.

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov '10	Oct '10	Nov '10	Oct '10	Nov '10	Oct '10
Northeast	18.17	18.61	2.73	1.67	45.69	45.16
Appalachian	19.45	19.50	-----	-----	71.48	69.03
Florida	21.61	21.46	-----	-----	86.61	85.58
Southeast	19.62	19.84	-----	-----	70.56	70.27
Upper Midwest	15.92	17.17	0.48	0.23	14.37	13.51
Central	16.67	17.35	1.23	0.41	35.79	33.01
Mideast	17.02	17.56	1.58	0.62	45.44	40.23
Pacific Northwest	16.71	17.35	1.27	0.41	30.67	28.02
Southwest	17.69	18.32	2.25	1.38	42.79	40.62
Arizona	17.30	17.81	-----	-----	34.78	34.60

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