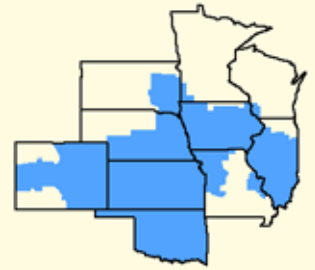


DECEMBER 2013

Marketing Service

Bulletin

Facilitating the efficient marketing of milk and dairy products.



CENTRAL MARKETING AREA

3.46% 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 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. 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 3,092 farms marketing milk on the order during October 2013. The tables on the first two pages of this bulletin provide distribution data by farm size based on October 2013 Central Order milk marketings.*

<u>Quartiles</u>	<u># of Farms</u>	<u>Range Of Milk Marketings Per Farm</u>
1	34	6,729,560 - 20,483,800 lbs.
2	73	2,782,230 - 6,728,976 lbs.
3	273	537,766 - 2,734,540 lbs.
4	2,712	< 537,766 lbs.

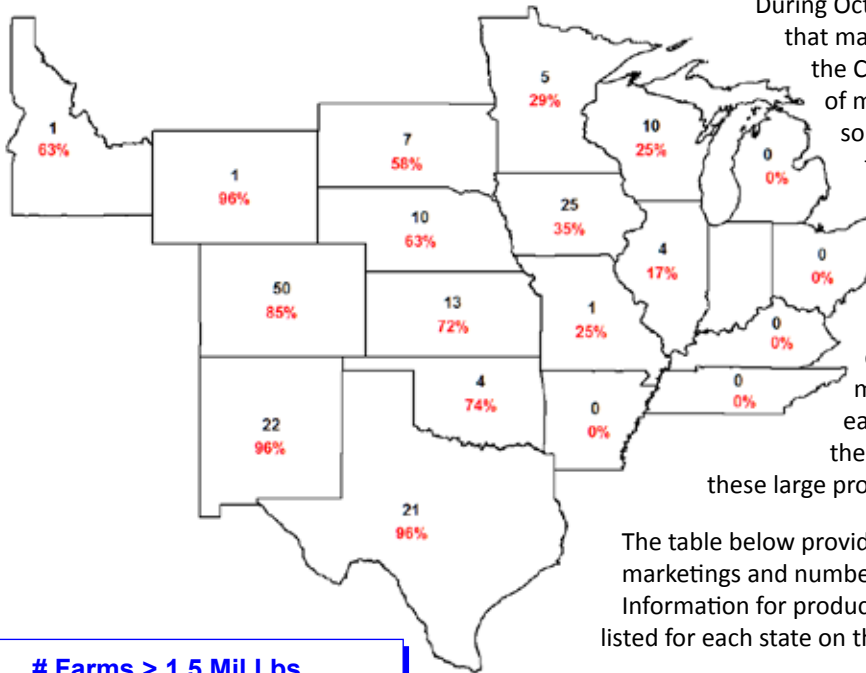
A relatively small number of farms with large milk marketings make up a disproportionate share of the Central Order total. This is also true for many of the states that have producers supplying the order, as indicated by the table on page two. Moreover, data from the table above indicates that 34 of the largest farms accounted for 25% of Central Order marketings during October 2013. Each of these farms marketed more than 6.729 million pounds during the month. Half of the milk on the Central Order in October was accounted for by including the next 73 farms - these farms had marketings between 2.782 & 6.729 million pounds. Thus, 3.46% of the farms marketed 50% of the milk during October 2013. The table below provides a farm distribution based on pounds of milk marketed on the Central Order. Notably, there were 1,547 farms (down from 5,727 farms in October 2002) which marketed less than 100,000 pounds on the order. These producers accounted for approximately 50% of the farms but less than 6% of the milk marketed.

Distribution of Farms by Amount of Pooled Marketings* - October 2013

<u>Range Of Marketings</u>	<u>Farms</u>	<u>% Of Farms</u>	<u>Pounds Of Milk</u>	<u>% Of Lbs.</u>	<u>Avg. Lbs. Per Farm</u>
< 100,000 Lbs.	1,547	50.03	70,035,361	5.55	45,272
100,000 to 250,000 Lbs.	834	26.97	130,047,997	10.30	155,933
250,000 to 500,000 Lbs.	316	10.22	107,482,783	8.52	340,135
500,000 to 750,000 Lbs.	98	3.17	59,925,310	4.75	611,483
750,000 to 1 Million Lbs.	57	1.84	49,767,488	3.94	873,114
1 to 1.250 Million Lbs.	40	1.29	44,506,050	3.53	1,112,651
1.250 to 1.500 Million Lbs.	26	0.84	35,393,203	2.80	1,361,277
> 1.500 Million Lbs.	174	5.63	764,839,798	60.61	4,395,631
Federal Order Total	3,092	100.00	1,261,997,990	100.00	408,149

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

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 2013



During October 2013 there were 174 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 174 producers accounted for only 5.63% of the total producers on the Central market, their marketings comprised 60.61% 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.

Farms > 1.5 Mil Lbs
% Of State's Central Order Mktgs

Central Order - October '13

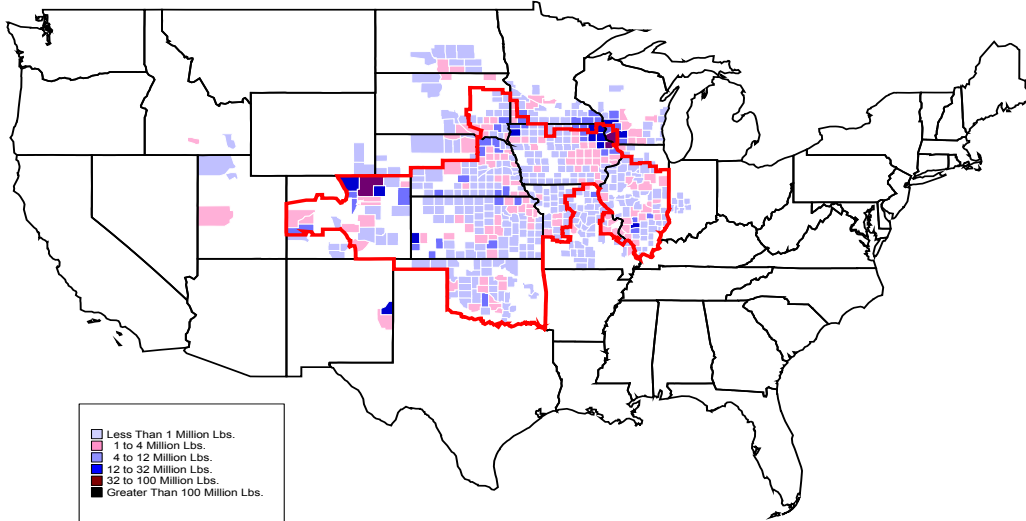
State	Pounds of Milk Pooled	# of Farms
AR	154,781	1
CO	273,587,221	111
ID	4,038,698	15
IL	71,732,480	402
IA	256,079,557	1,120
KS	117,590,597	222
KY	187,189	1
MI	1,199,604	27
MN	41,726,651	116
MO	30,358,837	207
NE	68,911,047	174
NM	106,315,888	32
OH	910,534	2
OK	30,261,001	83
SD	41,370,896	123
TN	565,414	6
TX	103,516,076	31
WI	106,121,891	416
WY	7,369,628	3
Total	1,261,997,990	3,092

Farms Marketing More Than 1.5 Million Pounds

Number of Farms	Oct '13 Pounds	% of State Pounds
0	0	0
50	231,611,780	84.66
1	2,530,540	62.66
4	11,861,310	16.54
25	90,826,430	35.47
13	84,348,630	71.73
0	0	0
0	0	0
5	11,891,574	28.50
1	7,466,507	24.59
10	43,068,539	62.50
22	101,531,386	95.50
0	0	0
4	22,320,787	73.76
7	24,065,450	58.17
0	0	0
21	99,703,025	96.32
10	26,522,700	24.99
1	7,091,140	96.22
174	764,839,798	60.61

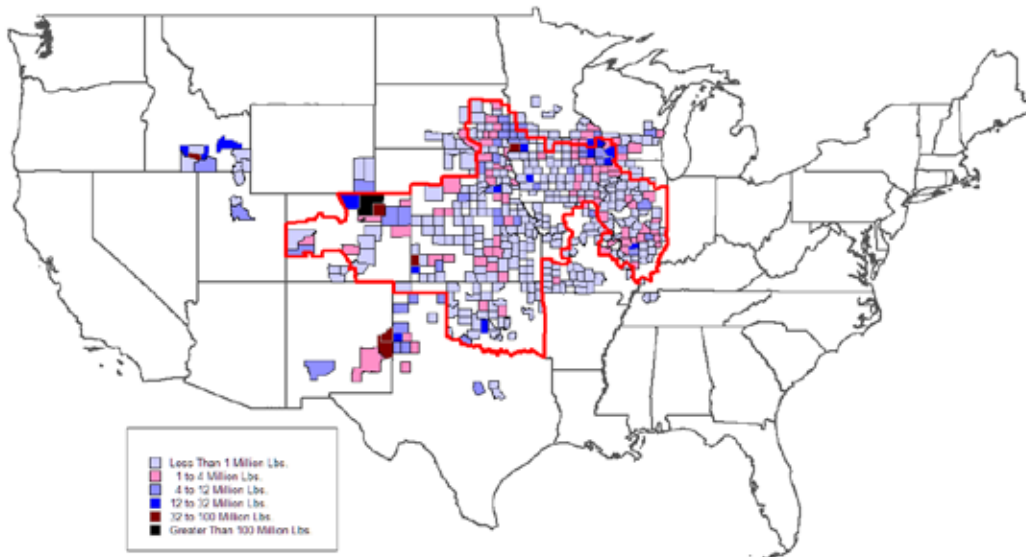
Central Federal Order Milk Marketings

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 2011, and October 2013 are depicted to illustrate this fact. During January 2000, 79% of the milk pooled came from inside the Central Marketing Area, compared to 69% in October 2011 and 72% in October 2013.

October 2011



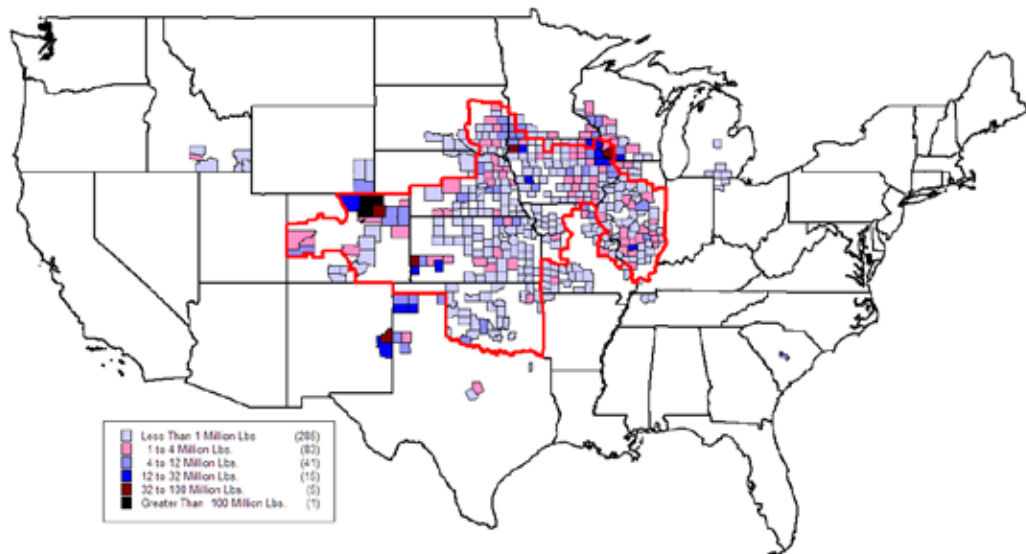
January 2000

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

October 2011

1.332 Billion Lbs.
 Inside Area -- 914 Million Lbs.
 Outside Area -- 418 Million Lbs.

October 2013



October 2013

1.262 Billion Lbs.
 Inside Area -- 913 Million Lbs.
 Outside Area -- 349 Million Lbs.

Change: Jan '00 to Oct '13

Up 159 Million Lbs.
 Inside Area -- **Up** 39 Million Lbs.
 Outside Area -- **Up** 120 Million Lbs.

Change: Oct '11 to Oct '13

Down 70 Million Lbs.
 Inside Area -- **Down** 1 Million Lbs.
 Outside Area -- **Down** 69 Million Lbs.

Less Than 1 Million Lbs.	(206)
1 to 4 Million Lbs.	(82)
4 to 12 Million Lbs.	(41)
12 to 32 Million Lbs.	(15)
32 to 100 Million Lbs.	(5)
Greater Than 100 Million Lbs.	(1)



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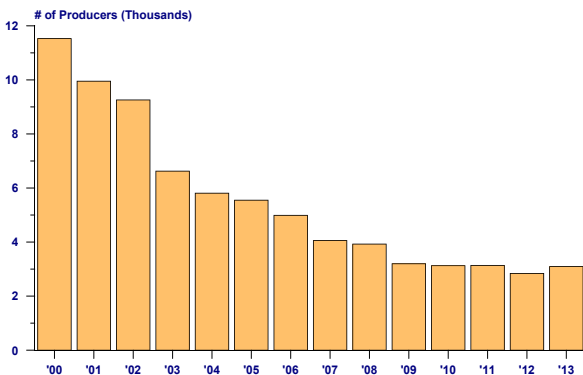
FEDERAL MILK MARKET ADMINISTRATOR
P.O. BOX 14650
SHAWNEE MISSION, KANSAS 66285-4650

FIRST CLASS

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

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov '13	Oct '13	Nov '13	Oct '13	Nov '13	Oct '13
Northeast	21.28	20.88	2.45	2.66	41.01	40.23
Appalachian	22.72	22.25	----	----	72.01	73.12
Florida	24.92	24.28	----	----	87.37	87.14
Southeast	23.36	22.58	----	----	77.13	72.41
Upper Midwest	19.16	18.60	0.33	0.38	11.47	11.33
Central	19.68	19.25	0.85	1.03	34.02	34.44
Mideast	20.12	19.77	1.29	1.55	42.58	43.40
Pacific Northwest	19.77	19.28	0.94	1.06	26.55	29.89
Southwest	20.50	20.00	1.67	1.78	36.60	37.04
Arizona	20.70	20.24	----	----	31.71	31.91

Central Order -- Number of Producers
October Data



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