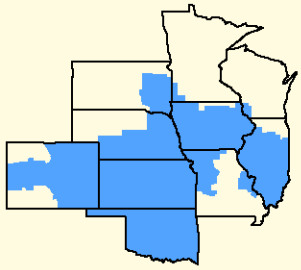
DECEMBER 2022

Marketing Service

Bulletin

Facilitating the efficient marketing of milk and dairy products.

CENTRAL MARKETING AREA



4.23% 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. While revisions to order pooling provisions initially resulted in smaller amounts of “depooled” milk, the pandemic price shocks experienced in 2020 saw again significant amounts of depooled milk. These order language revisions, along with changing industry pooling practices, continue to alter the footprint of the Central Order "milkshed".

Central Order Milk Marketings Ranked From Largest Producer to Smallest October 2022

Quartiles	# of Farms	Range Of Milk Marketings Per Farm*
1	25	10,644,216 - 19,687,812 lbs.
2	40	6,531,860 - 10,524,600 lbs.
3	89	2,368,045 - 6,378,640 lbs.
4	1,380	< 2,337,587 lbs.

The number of farms with marketings 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 13.1% of the peak, with 1,534 farms marketing milk during October 2022. The tables on the first two pages of this bulletin provide distribution data by farm size based on October 2022 Central Order milk marketings.*

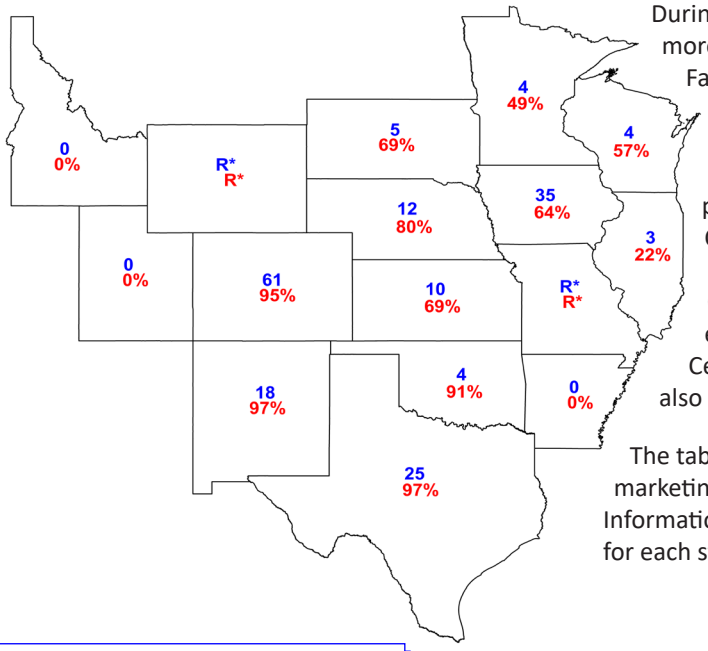
A relatively small number of farms with large milk marketings make up a disproportionate share of the Central Order total. This is also true for many of the states that have producers supplying the order, as indicated by the table on page two. Moreover, data from the table above indicates that 25 of the largest farms accounted for 25% of Central Order marketings during October 2022. Each of these farms marketed more than 10.644 million pounds during the month. Half of the milk on the Central Order in October was accounted for by including the next 40 farms - these farms had marketings between 6.532 & 10.525 million pounds. *Thus, 4.23% of the farms marketed 50% of the milk during October 2022.* This proportion has dropped significantly since the inception of the Central Order in 2000 when approximately 10% of the farms marketed 50% of the milk. The table below provides a farm distribution based on pounds of milk marketed on the Central Order. Notably, there were 673 farms (down from 5,727 farms in October 2002) which marketed less than 100,000 pounds on the order. These producers accounted for approximately 44% of the farms but less than 3% of the milk marketed.

Distribution of Farms by Amount of Pooled Marketings* - October 2022

Range Of Marketings	Farms	% Of Farms	Pounds Of Milk	% Of Lbs.	Avg. Lbs. Per Farm
< 100,000 Lbs.	673	43.87	32,112,988	2.41	47,716
100,000 to 250,000 Lbs.	357	23.27	57,290,874	4.29	160,479
250,000 to 500,000 Lbs.	163	10.63	56,688,183	4.25	347,780
500,000 to 750,000 Lbs.	79	5.15	49,143,928	3.68	622,075
750,000 to 1 Million Lbs.	38	2.48	32,286,010	2.42	849,632
1 to 1.250 Million Lbs.	20	1.30	22,152,373	1.66	1,107,619
1.250 to 1.500 Million Lbs.	21	1.37	28,742,668	2.15	1,368,698
> 1.500 Million Lbs.	183	11.93	1,056,210,112	79.14	5,771,640
Federal Order Total	**1,534**	**100.00**	**1,334,627,136**	**100.00**	**870,031**

* 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 2022



During October 2022 there were 183 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 183 producers accounted for only 11.93% of the total producers on the Central market, their marketings comprised 79.14% 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 '22

State	Pounds of Milk Pooled	# of Farms
AR	159,627	2
CO	406,001,747	88
IA	281,403,162	537
ID	1,174,620	2
IL	61,880,664	226
IN	1,216,623	11
KS	67,042,565	137
MN	24,293,380	44
MO	20,206,662	163
NE	79,077,323	84
NM	107,600,529	27
OK	37,118,480	35
SD	40,202,914	47
TX	151,213,508	41
WI	38,853,092	89
WY	17,182,240	R*
Total	**1,334,627,136**	**1,534**

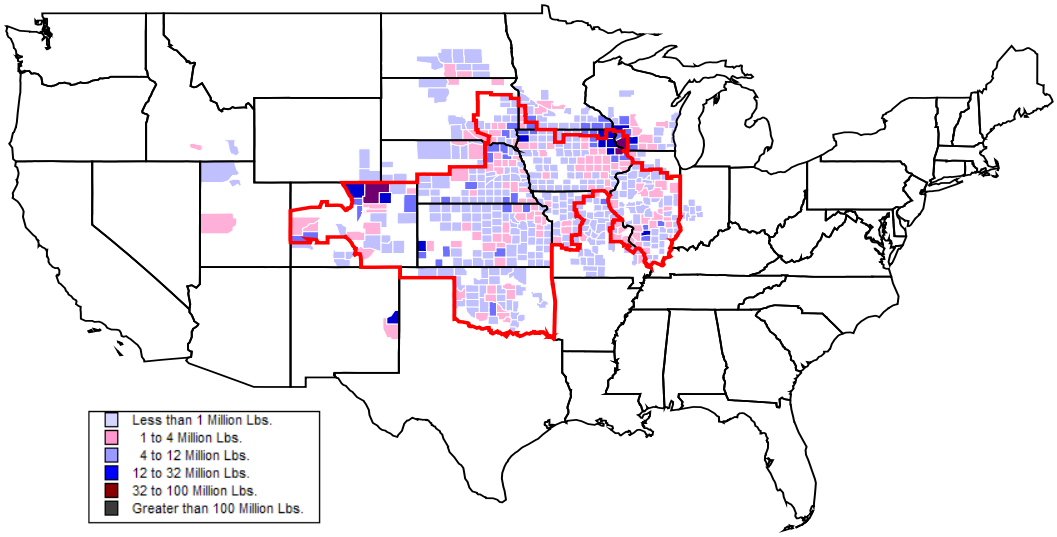
Farms Marketing More Than 1.5 Million Pounds

Number of Farms	Oct '22 Pounds	% of State Pounds
0	0	0
61	385,748,471	95.01
35	179,170,425	63.67
0	0	0
3	13,739,263	22.20
0	0	0
10	46,159,063	68.85
4	11,871,272	48.87
R*	4,649,337	23.01
12	63,259,875	80.00
18	104,725,929	97.33
4	33,809,854	91.09
5	27,768,188	69.07
25	146,097,760	96.62
4	22,028,435	56.70
R*	17,182,240	R*
183	**1,056,210,112**	**79.14**

* Data restricted due to confidentiality

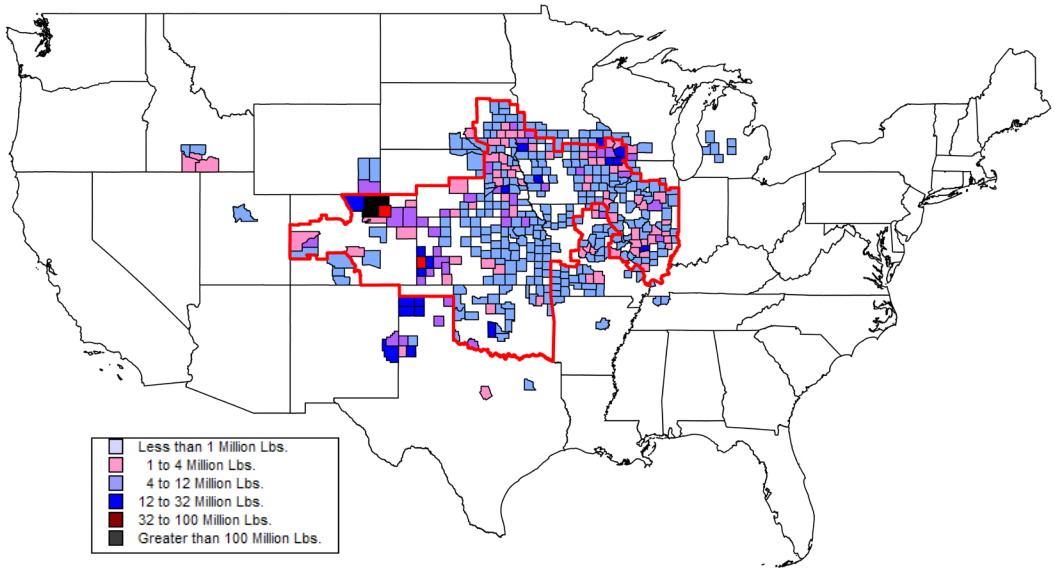
Central Federal Order Milk Marketings

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 2017, and October 2022 are depicted to illustrate this fact. During January 2000, 79% of the milk pooled came from inside the Central Marketing Area, compared with 81% in October 2017 and 75% in October 2022.

October 2017*

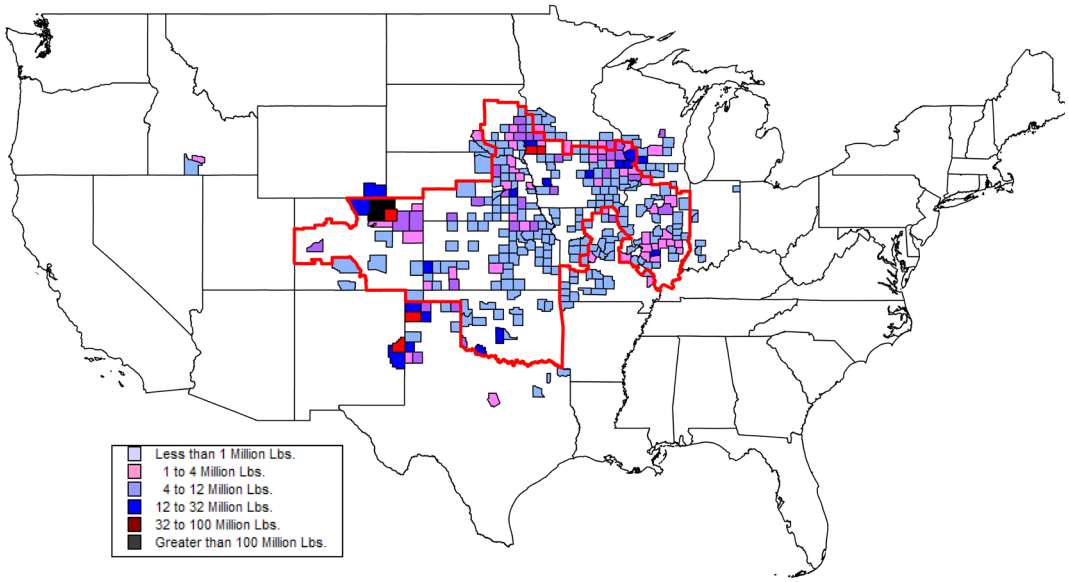


January 2000
1.103 Billion Lbs.
Inside Area -- 874 Million Lbs.
Outside Area -- 229 Million Lbs.

October 2017
1.138 Billion Lbs.
Inside Area -- 922 Million Lbs.
Outside Area -- 216 Million Lbs.

October 2022
1.334 Billion Lbs.
Inside Area -- 994 Million Lbs.
Outside Area -- 340 Million Lbs.

October 2022*



Change: Jan '00 to Oct '22
Up 231 Million Lbs.
Inside Area -- Up 120 Million Lbs.
Outside Area -- Up 111 Million Lbs.

Change: Oct '17 to Oct '22
Up 196 Million Lbs.
Inside Area -- Up 72 Million Lbs.
Outside Area -- Up 124 Million Lbs.

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United States Department of Agriculture

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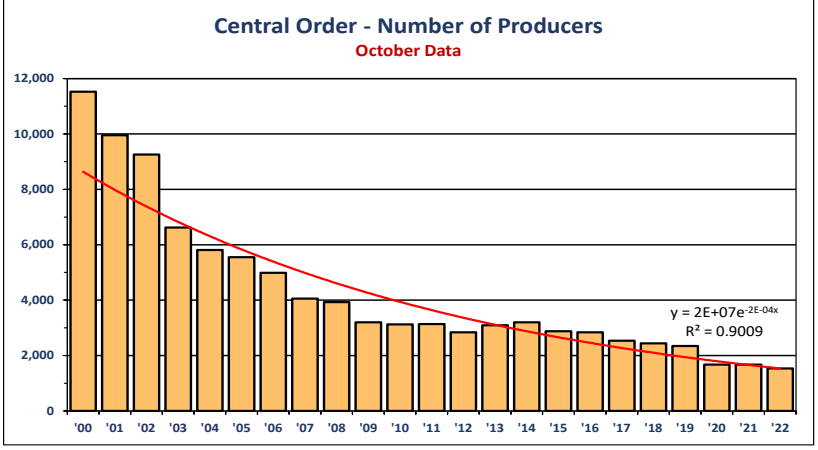
	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov '22	Oct '22	Nov '22	Oct '22	Nov '22	Oct '22
Northeast	24.27	24.77	3.26	2.96	31.09	30.18
Appalachian	26.24	25.80	-----	-----	75.78	71.59
Florida	28.27	27.70	-----	-----	84.31	85.03
Southeast	26.65	26.28	-----	-----	74.36	78.39
Upper Midwest	21.30	22.03	0.29	0.22	5.71	5.88
Central	**22.28**	**22.79**	**1.27**	**0.98**	**29.34**	**27.54**
Mideast	22.75	22.99	1.74	1.18	39.99	39.37
California	22.35	22.88	1.34	1.07	20.66	19.83
Pacific Northwest	22.36	23.14	1.35	1.33	23.21	22.26
Southwest	22.98	23.38	1.97	1.57	29.54	27.77
Arizona	23.60	24.11	-----	-----	28.66	28.14



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