

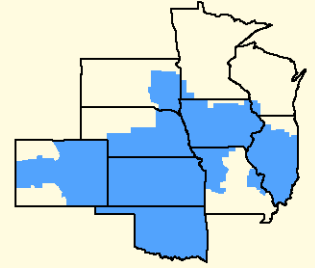
**DECEMBER 2024**

**Marketing Service**

# Bulletin



Facilitating the efficient marketing of milk and dairy products.



**CENTRAL MARKETING AREA**

## 3.56% 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".

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 11.06% of the peak, with 1,292 farms marketing milk during October 2024. The tables on the first two pages of this bulletin provide distribution data by farm size based on October 2024 Central Order milk marketings.\*

<u>Quartiles</u>	<u># of Farms</u>	<u>Range Of Milk Marketings Per Farm*</u>
1	16	12,200,000 - 22,600,000 lbs.
2	30	6,500,000 - 12,200,200 lbs.
3	79	1,700,000 - 6,500,000 lbs.
4	1,167	< 1,700,000 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 16 of the largest farms accounted for 25% of Central Order marketings during October 2024. Each of these farms marketed more than 12.239 million pounds during the month. Half of the milk on the Central Order in October was accounted for by including the next 30 farms - these farms had marketings between 6.526 & 12.000 million pounds. *Thus, 3.56% of the farms marketed 50% of the milk during October 2024.* 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 571 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 just over 2% of the milk marketed.

## Distribution of Farms by Amount of Pooled Marketings\* - October 2024

<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.	571	44.20	25,027,875	2.37	43,832
100,000 to 250,000 Lbs.	287	22.21	46,572,488	4.41	162,273
250,000 to 500,000 Lbs.	161	12.46	57,189,525	5.42	355,214
500,000 to 750,000 Lbs.	68	5.26	42,071,393	3.99	618,697
750,000 to 1 Million Lbs.	25	1.93	21,940,558	2.08	877,622
1 to 1.250 Million Lbs.	24	1.86	26,876,711	2.55	1,119,863
1.250 to 1.500 Million Lbs.	20	1.55	27,879,299	2.64	1,393,965
> 1.500 Million Lbs.	136	10.53	808,034,537	76.55	5,941,430
<b>Federal Order Total</b>	<b>1,292</b>	<b>100.00</b>	<b>1,055,592,386</b>	<b>100.00</b>	<b>817,022</b>

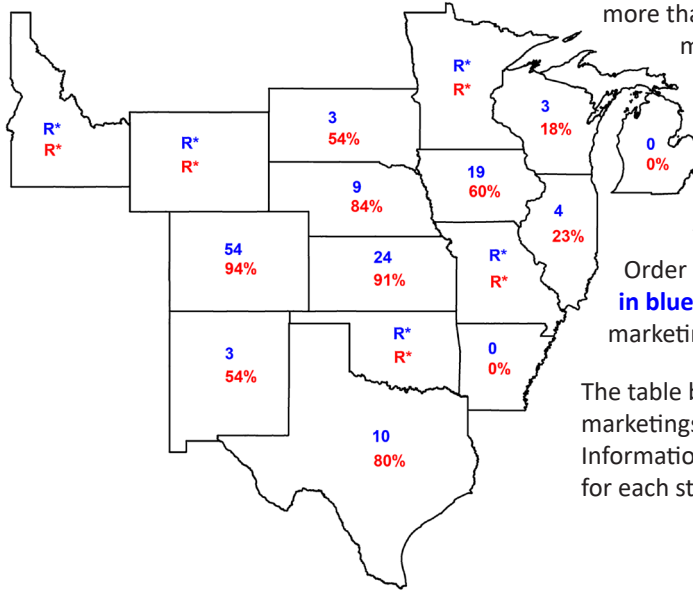
\* There is no requirement that total monthly production of a farm be pooled on the order. The data contained in this bulletin represents pounds of milk marketed on the Central Federal Milk Order.

# 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 2024

During October 2024 there were 136 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 136 producers accounted for only 10.53% of the total producers on the Central market, their marketings comprised 76.55% 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 '24

<u>State</u>	<u>Pounds of Milk Pooled</u>	<u># of Farms</u>
AR	R*	R*
CO	367,669,417	81
IA	171,217,554	422
ID	6,392,353	6
IL	75,829,137	229
KS	183,016,145	102
MI	R*	R*
MN	10,659,145	42
MO	11,870,935	109
NE	65,965,296	55
NM	16,436,641	18
OK	26,536,603	23
SD	21,956,664	39
TX	48,124,590	35
WI	31,171,075	128
WY	R*	R*
<b>Total</b>	<b>1,055,592,386</b>	<b>1,292</b>

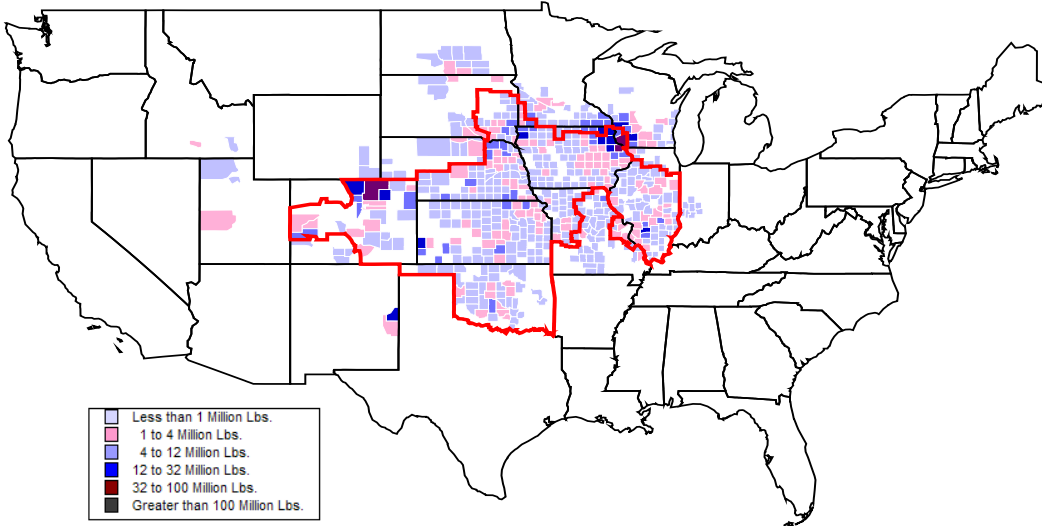
## Farms Marketing More Than 1.5 Million Pounds

<u>Number of Farms</u>	<u>Oct '24 Pounds</u>	<u>% of State Pounds</u>
0	0	0
54	346,656,367	94.28
19	102,753,641	60.01
R*	4,260,980	R*
4	17,142,420	22.61
24	167,403,943	91.47
0	0	0
R*	4,493,053	R*
R*	1,838,823	R*
9	55,091,167	83.52
3	8,897,035	54.13
R*	24,786,771	R*
3	11,750,209	53.52
10	38,639,740	80.29
3	5,679,076	18.22
R*	18,641,312	R*
<b>136</b>	<b>808,034,537</b>	<b>76.55</b>

\* Data restricted due to confidentiality

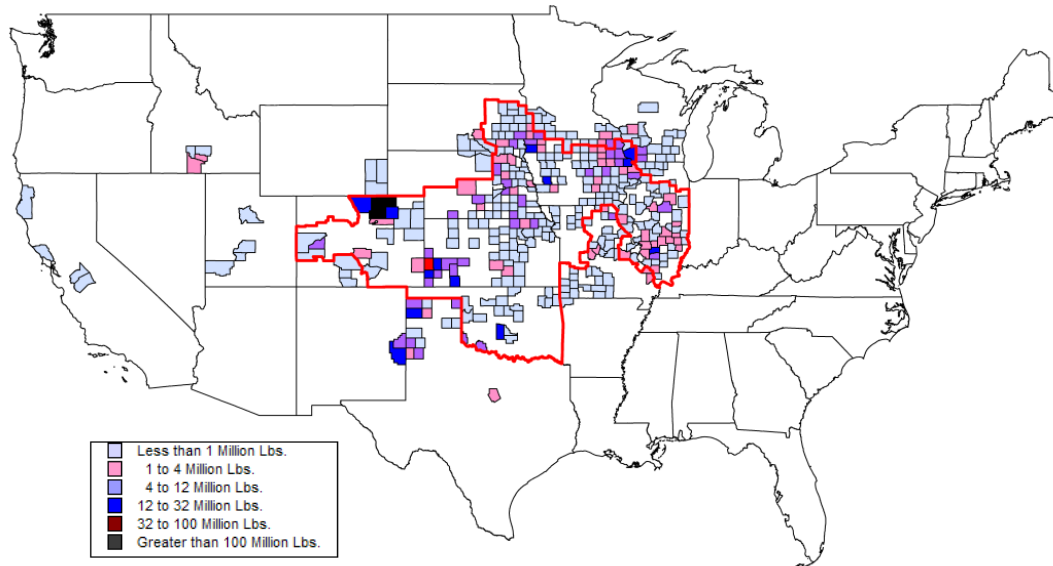
# Central Federal Order Milk Marketings

## 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 2019, and October 2024 are depicted to illustrate this fact. During January 2000, 79% of the milk pooled came from inside the Central Marketing Area, compared with 83% in October 2019 and 88% in October 2024.

## October 2019\*



### January 2000

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

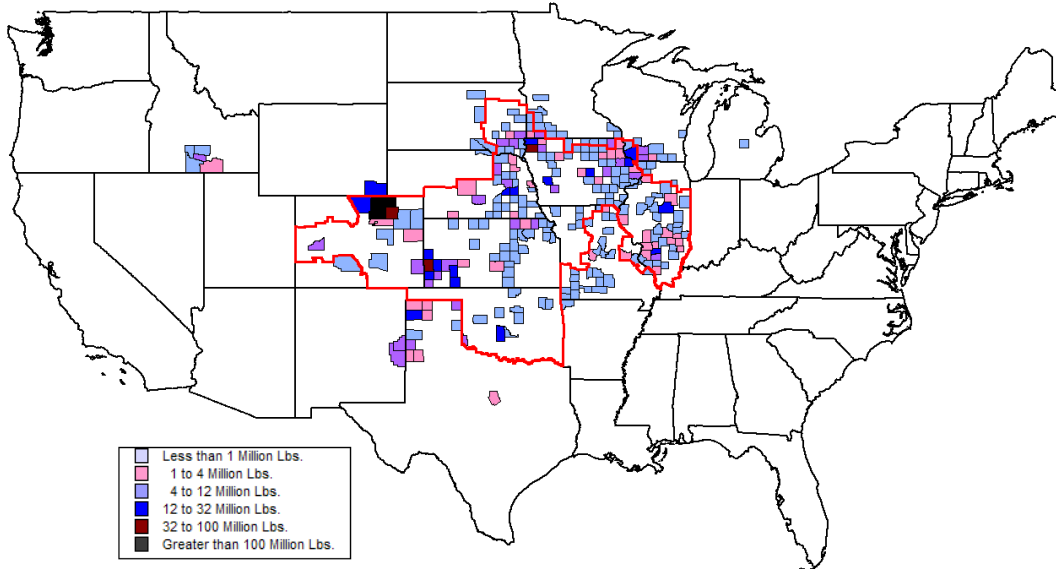
### October 2019

0.950 Billion Lbs.  
 Inside Area -- 785 Million Lbs.  
 Outside Area -- 165 Million Lbs.

### October 2024

1.056 Billion Lbs.  
 Inside Area -- 934 Million Lbs.  
 Outside Area -- 122 Million Lbs.

## October 2024\*



### Change: Jan '00 to Oct '24

**Down** 47 Million Lbs.  
 Inside Area -- **Up** 60 Million Lbs.  
 Outside Area -- **Down** 107 Million Lbs.

### Change: Oct '19 to Oct '24

**Up** 106 Million Lbs.  
 Inside Area -- **Up** 149 Million Lbs.  
 Outside Area -- **Down** 43 Million Lbs.

\*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.



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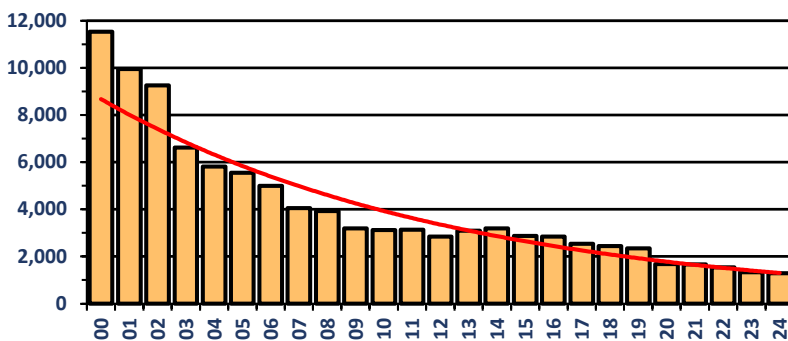
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	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov '24	Oct '24	Nov '24	Oct '24	Nov '24	Oct '24
Northeast	22.47	22.93	2.52	0.08	30.66	30.91
Appalachian	24.72	24.62	-----	-----	70.89	73.19
Florida	26.79	26.62	-----	-----	82.54	82.79
Southeast	25.46	25.37	-----	-----	79.11	81.31
Upper Midwest	20.33	22.38	0.38	-0.47	8.97	10.34
<b>Central</b>	<b>21.03</b>	<b>21.68</b>	<b>1.08</b>	<b>-1.17</b>	<b>28.84</b>	<b>34.89</b>
Mideast	21.55	22.18	1.60	-0.67	34.03	36.77
California	21.28	21.47	1.33	-1.38	22.59	25.36
Pacific Northwest	20.90	21.67	0.95	-1.18	19.20	24.92
Southwest	21.76	22.02	1.81	-0.83	28.61	39.24
Arizona	22.05	22.60	-----	-----	31.84	43.84

**Central Order - Number of Producers**  
**October Data**



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