



# Measures of Growth in Federal Milk Orders

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

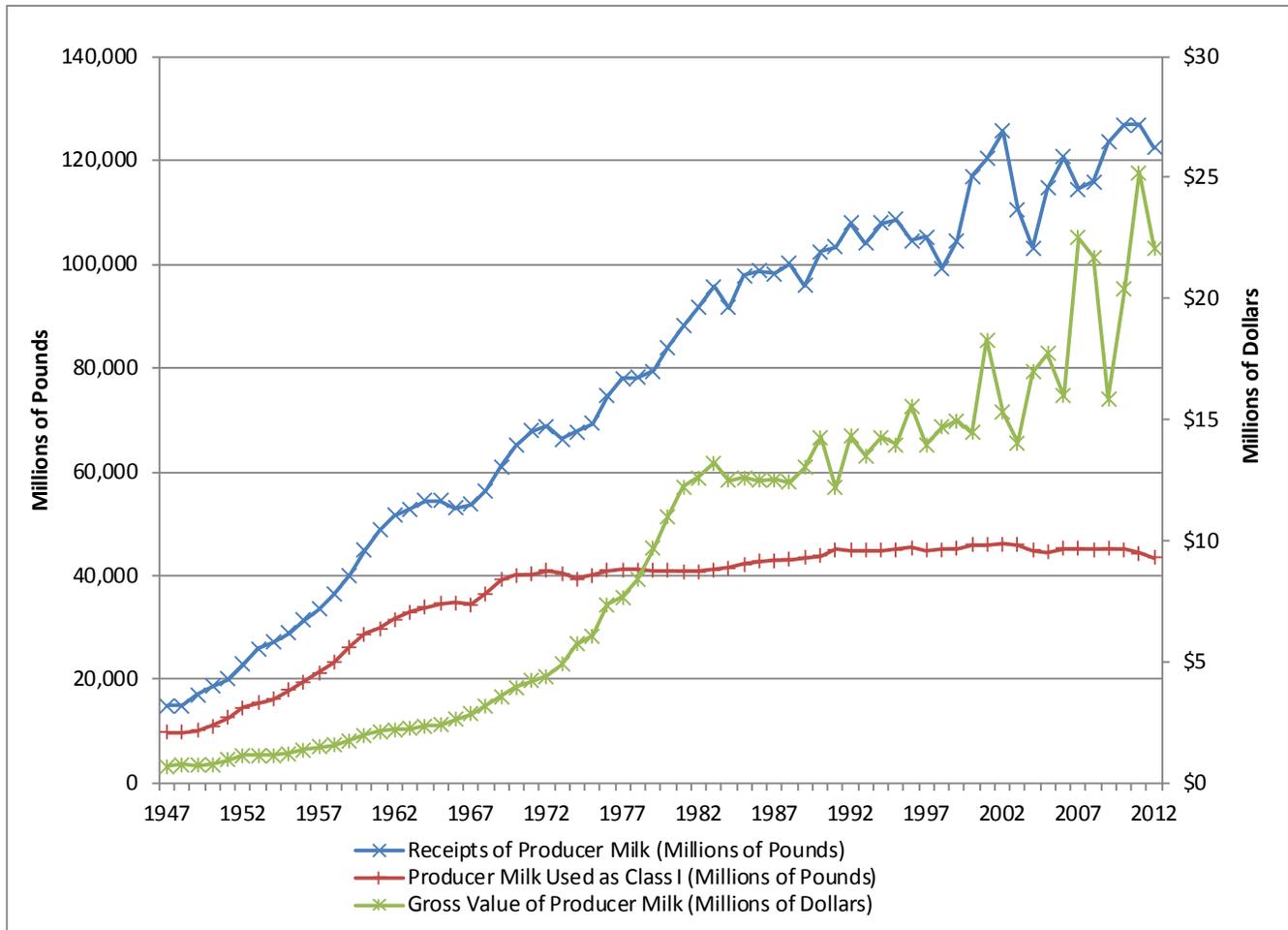
MGFMO - 2012

January 10, 2014

## 2012 Highlights

**Total Receipts** of milk eligible for Class I pooling topped 122.3 million pounds marketed by more than 40,000 dairy producers across all Federal orders in 2012. These measures of growth were 3.5 and 6.6 lower than 2011, respectively. In 2012, milk marketed through Federal orders accounted for 61 percent of all milk sold and 62 percent of fluid grade milk sold to US plants and milk dealers. This was 4 percent lower in both categories.

## Common Measures of Growth



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Year	Number of Markets	Number of Pool Handlers	Number of Pooled Producers	Population of Federal Milk Marketing Areas	Total Receipts of Producer Milk	Producer Milk Used as Class I	Percent Used as Class I
		<i>(number)</i>		<i>(thousands)</i>	<i>(million pounds)</i>		<i>(percent)</i>
1950	39	1,101	156,584	*	18,660	11,000	58.9
1955	63	1,483	188,611	46,963	28,948	18,032	62.3
1960	80	2,259	189,816	88,818	44,812	28,758	64.2
1965	73	1,891	158,077	102,351	54,444	34,561	63.5
1970	62	1,588	143,411	125,721	65,104	40,063	61.5
1975	56	1,315	123,855	150,666	69,249	40,106	57.9
1980	47	1,091	117,490	164,908	83,998	41,034	48.9
1985	44	884	116,765	176,440	97,762	42,201	43.2
1990	42	753	100,397	195,841	102,396	43,783	42.8
1995	33	571	88,717	207,548	108,548	45,044	41.5
1996	32	570	82,947	209,599	104,501	45,479	43.5
1997	31	570	78,422	208,379	105,224	44,917	42.7
1998	31	522	72,402	210,484	99,223	44,968	45.3
1999	31	487	69,008	212,118	104,479	45,216	43.3
2000	11	346	69,590	228,899	116,920	45,989	39.3
2001	11	350	66,423	231,487	120,223	45,887	38.2
2002	11	338	63,856	234,256	125,546	46,043	36.7
2003	11	331	58,110	236,180	110,581	45,843	41.5
2004	10	306	52,341	234,825	103,048	44,939	43.6
2005	10	302	53,036	238,428	114,682	44,570	38.9
2006	10	314	52,725	239,142	120,618	45,304	37.6
2007	10	312	49,782	241,000	114,407	45,226	39.5
2008	10	333	47,859	242,988	115,867	44,989	38.8
2009	10	251	46,677	245,445	123,430	45,262	36.7
2010	10	251	45,918	247,031	126,909	44,970	35.4
2011	10	241	43,654	247,675	126,879	44,383	35.0
2012	10	237	40,750	250,724	122,388	43,492	35.5

\* Data not available

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Year	Percentage of All Milk Sold		Milk Price at 3.5% Butterfat Content		Average Daily Delivery per Producer	Gross Value of Producer Milk	
	Fluid Grade	All Milk	Class I	Blend		Per Pooled Producer	All Pooled Producers
	<i>(percent)</i>		<i>(dollars per cwt)</i>		<i>(pounds)</i>	<i>(dollars)</i>	<i>(thousands)</i>
1950	41	25	4.51	3.93	326	4,914	769,442
1955	51	32	4.67	4.08	420	6,510	1,227,815
1960	64	43	4.88	4.47	648	10,482	1,989,615
1965	70	48	4.93	4.31	944	15,300	2,418,526
1970	79	59	6.74	5.95	1,244	27,636	3,963,311
1975	78	63	9.36	8.64	1,532	49,233	6,097,768
1980	80	67	13.77	12.86	1,954	93,685	11,007,001
1985	80	70	13.88	12.61	2,294	107,871	12,595,522
1990	77	70	15.55	13.78	2,796	142,324	14,289,567
1995	75	71	14.19	12.79	3,350	157,754	13,995,454
1996	72	69	16.19	14.64	3,442	187,713	15,570,261
1997	71	69	14.36	13.10	3,676	178,424	13,992,366
1998	66	64	16.14	14.92	3,755	202,770	14,681,340
1999	67	65	16.24	14.09	4,148	216,794	14,960,544
2000	72	70	14.24	12.11	4,590	207,913	14,468,892
2001	75	73	16.96	14.90	4,959	275,642	18,308,968
2002	77	76	13.69	11.91	5,387	239,520	15,294,802
2003	67	65	14.10	12.12	5,178	242,066	14,066,672
2004	62	61	17.56	15.74	5,352	324,119	16,965,368
2005	66	65	17.13	15.07	5,904	334,626	17,747,577
2006	68	67	14.59	12.86	6,264	303,429	15,998,288
2007	63	62	20.81	19.19	6,297	452,097	22,507,219
2008	61	62	20.78	18.24	6,613	453,886	21,722,538
2009	66	66	14.40	12.44	7,242	339,698	15,856,077
2010	67	66	18.25	16.07	7,572	444,038	20,389,201
2011	66	65	21.97	19.87	7,963	577,538	25,211,996
2012	62	61	20.39	18.05	8,229	542,121	22,091,337

## **Methodology: Growth in Federal Milk Order Markets**

**Data:** The Measures of Growth in Federal milk order markets is created using information on the handling of milk obtained from Federal milk marketing order personnel.

The number of Federal order markets and the number of handlers is at year end.

The annual number of pooled producers is the simple average number of producers pooled each month during that year.

The population of Federal milk marketing areas is obtained from published *U.S. Census Annual Estimates of the Resident Population for Counties* in U.S. Census years (1950, 1960, 1970, 1980, 1990, 2000, and 2010). Annual Federal order county populations are estimated by interpolating the statewide population growth factors as reported by the Census Bureau for Federal order counties for the years between each U.S. Census. Federal order population figures for 2011-2012 are therefore based upon the statewide population growth factors applied to the 2010 Census. As an estimate of population for these years, these figures should not be compared to previous updates to measure change over time.

The receipts of producer milk and producer milk used in Class I reflects millions of pounds. Beginning in 1990, due to disadvantageous price situations in some markets, regulated handlers elected not to pool milk that normally would have been associated with the order. This has reduced, sometimes substantially, the volume of producer milk receipts reported for some markets. This can also affect significantly the comparability of other "Measures of Growth" based on this statistic.

The percent used as Class I is the percentage of all milk pooled that is used to produce Class I fluid products as defined by the Code of Federal Regulation (CFR 1000.15).

The percentage of all milk sold is the amount of producer milk pooled on Federal orders as a percentage of the total amount of milk sold to U.S. plants and dealers, both as fluid grade (Grade A) and all milk sold. The amount of milk sold to U.S. plants and dealers is obtained from the USDA National Agricultural Statistics Service *Milk Production, Disposition, and Income*, 2012 Summary, ISSN: 1949-1506, issued April 2013.

The milk price at 3.5% butterfat content is the weighted average Federal order minimum regulated milk price for milk at a standardized 3.5% butterfat content. Milk prices are simple averages for 1950-65 and weighted averages for 1970 to date. Milk prices are based on the blend (uniform) price adjusted for the butterfat content, and starting in 1990, other milk components of producer milk.

The average daily delivery of milk per producer is calculated by dividing producer receipts by the number of producers pooled.

The annual gross value of receipts of producer milk per producer is calculated by dividing the total value of all pooled milk as reported by the market administrators divided by the simple average of the number of producers pooled each month during the year.

The annual gross value of all receipts of producer milk is the total value of all milk pooled for each respective year as reported by the market administrators.

**Reliability:** The AMS audit staff periodically perform on-site audits on the amounts of producer milk pooled to ensure accurate reporting of pool, utilization, and price information.

**Information Contacts**

Listed below are the specialists in the Agricultural Marketing Service, Dairy Programs, Market Information Branch to contact for additional information. E-mail inquiries may be sent to [dpp@ams.usda.gov](mailto:dpp@ams.usda.gov)

Joe Gaynor, Chief, Market Information..... (202) 720-9351

**Dairy Products Mandatory Reporting Program**

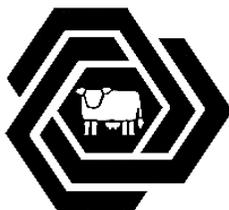
Lorie Warren, Dairy Products Marketing Specialist..... (202) 720-4405

Patsy Emmons, Dairy Products Marketing Specialist ..... (202) 720-6491

**Federal Milk Order Information Program**

Randal Stoker, Dairy Products Marketing Specialist ..... (202) 690-1932

Daniel Manzoni, Dairy Products Marketing Specialist..... (202) 720-2352



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