

UNITED STATES DEPARTMENT OF AGRICULTURE

1930-220th St. SE, Ste. 102
Bothell, WA 98021-8471
Phone: (425) 487-6009
Fax: (425) 487-2775
E-mail: fmmaseattle@fmmaseattle.com

**Agricultural Marketing Service
Dairy Programs**

FEDERAL MILK ORDERS 124 & 131

10050 N 25th Ave., Ste. 302
Phoenix, AZ 85021-1664
Phone: (602) 547-2909
Fax: (602) 547-2906
E-mail: ma@fmma.net

**ANALYSIS OF HAULING CHARGES AND PRODUCER MILK BY
LOCATION AND SIZE-RANGE OF PRODUCTION**

PACIFIC NORTHWEST ORDER

MAY 2008 (with comparison to May of previous years)

Staff Paper 10-01

Lori Espe

May 2010

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

ANALYSIS OF HAULING CHARGES AND PRODUCER MILK BY LOCATION AND SIZE-RANGE OF PRODUCTION

PACIFIC NORTHWEST ORDER

MAY 2008 (with comparison to May of previous years)

Lori Espe

Abstract

Hauling charges were examined for 626 producers in May 2008. The milk represented in this study was producer milk (Grade A) pooled on the Pacific Northwest Order. Hauling charges, stop charges, and milk production were obtained from producer payrolls submitted by handlers to the Market Administrator's office. The terms "milk production" and "producer milk" in this study are synonymous. Hauling charges in this paper are given on a per hundredweight basis. The reference to a particular year refers to May of that year. Some comparisons to previous years are reported, but due to changes in Federal order boundaries and order provisions, these comparisons may be biased.

Major findings of this study include:

1. In May 2008, the weighted average hauling charge on the Pacific Northwest Order was 62.24 cents per hundredweight, up 5.60 cents from May 2007.
2. By state, Idaho had the lowest weighted average hauling charge, followed by Oregon, Washington, and California.
3. In general, hauling charges in the Northwest appear to be determined by the density of farms in a region; and their proximity to metropolitan areas or areas of intense milk processing. Hauling charges per hundredweight appear to have become somewhat less dependent on the volume of milk a producer delivers to the market. The increased use of volume premiums paid to producers who deliver larger quantities of milk instead of lowering their hauling rates contributes to this change.
4. Based on producer milk pooled, the average monthly deliveries per producer for the Pacific Northwest Order were 960,466 pounds, an 11,646 pound increase from May 2007. A large portion of the increase is due to handler pooling decisions.

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	AVERAGE MILK HAULING CHARGES BY STATE AND COUNTY	1
	Table 1: Weighted Average Hauling Charges By State	4
III.	PRODUCER MILK AND PRODUCER NUMBERS.....	4
IV.	RELATIONSHIP BETWEEN MILK PRODUCTION AND HAULING CHARGES	5
V.	CONCLUSIONS	7
VI.	APPENDIX	
	Tables: A-1 Weighted Average Hauling Charges By State and County, Pacific Northwest Order: May 2007 and 2008	8
	A-2 Number of Producers, Pounds of Milk, and Average Pounds Per Producer By State and County, Pacific Northwest Order: May 2007 and 2008	10
	A-3 Cross Tabulation of <u>Number</u> of Producers Between Region and Hauling Charges, Pacific Northwest Order: May 2008	12
	A-4 Cross Tabulation of <u>Percentage</u> of Producers Between Region and Hauling Charges, Pacific Northwest Order: May 2008	12
	A-5 Cross Tabulation of <u>Number</u> of Producers Between Milk Production and Hauling Charges, Pacific Northwest Order: May 2008	13
	Graph A-1: Hauling Rates by Milk Production Range	13
	A-6 Cross Tabulation of <u>Percentage</u> of Producers Between Milk Production and Hauling Charges, Pacific Northwest Order: May 2008	14
	Figures: A-1 Weighted Average Hauling Charges, Pacific Northwest Order: May 2008	15
	A-2 Average Milk Production Per Producer, Pacific Northwest Order: May 2008	16
	A-3 Marketing Area of the Pacific Northwest Order	17

ANALYSIS OF HAULING CHARGES AND PRODUCER MILK BY LOCATION AND SIZE-RANGE OF PRODUCTION

PACIFIC NORTHWEST ORDER

MAY 2008 (with comparisons to May of previous years)

Lori Espe ^{1/}

I. INTRODUCTION

This study analyzes hauling charges and producer milk by location and size-range of production for the Pacific Northwest Order. The order had 531 producers and 510.0 million pounds of producer milk pooled in May 2008. Most producers historically associated with the order but not pooled due to the relationship of Class III and uniform prices in May 2008 were included in the hauling portion of this study. A total of 626 producers had hauling charges and were included in this study. The amount of historically associated milk not pooled represents fewer than three handlers, therefore, is restricted. The terms “milk production” and “producer milk” in this study are synonymous. Some comparisons to previous years are reported, but due to changes in Federal order provisions beginning in January 2000, January 2003, and April 2006, these comparisons may be biased. (Please refer to previous years’ publications to explain methodology of previous years’ data, e.g., in 2004 some eligible milk on the Pacific Northwest Order was not pooled.)

Hauling charges are based on producer payrolls submitted by handlers to the Market Administrator’s Office in Bothell, Washington. Several handlers identify a stop charge with, or in lieu of, a hauling charge. Stop charges were converted to a per hundredweight basis and added onto, if any, the normal per hundredweight charge. Producers that hauled their own milk to market, typically large-volume producers, were not included in the analysis of hauling charges but were included in the analysis of producer size.

Hauling charges in this paper are given on a per hundredweight basis. The use of May data provides a standard basis to compare between years. The reference to a particular year refers to May of that year.

II. AVERAGE MILK HAULING CHARGES BY STATE, AND COUNTY

A comparison of average hauling charges between regions in May 2008 appears to indicate relative efficiency of hauling, as it relates to the density and size of dairy farms and their proximity to milk processors.

^{1/} Lori Espe is an Agricultural Economist with the Market Administrator Office, Bothell, Washington. Assisting Ms. Espe were John Mykrantz and Dan Nguyen of the Pacific Northwest (FO 124) and Arizona (FO 131) Orders’ staff.

Hauling charges for producers associated with the Pacific Northwest Order averaged 62.24 cents per hundredweight in May 2008. The 2008 average was up 5.60 cents from May 2007; a 9.9 percent increase. By state, hauling charges averaged 37.29 cents in Idaho, 45.62 cents in Oregon, 69.13 cents in Washington, and 211.11 cents in California. (See Table 1.) California hauling rates increased the most compared to 2007, increasing by 101.05 cents per hundredweight. Due to changes in pooling, the 2008 hauling figure for California includes milk that originated a significant distance from the Oregon/California border. Oregon and Washington increased five and almost nine cents per hundredweight, respectively. The average hauling rate in Idaho decreased dramatically in 2008 when compared to 2007, averaging 75.7 percent lower. Most of the difference can be explained by changes in pooling decisions; milk from Southern Idaho was pooled in 2008. Typically, hauling rates in Southern Idaho are lower than those in Northern Idaho.

Weighted average hauling charges for each state under the Pacific Northwest Order are shown in Table 1. Appendix Table A-1 provides hauling charges by state and county for May 2007 and 2008. Appendix Table A-3, representing 626 producers, shows the number of producers for each range of hauling charges and region for the Pacific Northwest Order. Included in the table is a weighted average hauling charge for each region, along with the minimum and maximum rates for each size-range. Appendix Table A-4, shows the percentage of producers for each range of hauling charges and region for the Pacific Northwest Order.

In previous studies, increases in fuel prices seemed to be related to increases in hauling rates. Fuel price data for May of a particular year was referenced and compared to fuel price data for the month of May in previous years. Historically, this approach suggested a positive relationship between increases in fuel prices and changes in hauling rates. This relationship was evident in the data for May of 2008. According to the Energy Information Administration (EIA), monthly West Coast No. 2 diesel retail sales by all sellers shows that diesel prices in May 2008 (\$4.563) increased 163.4 cents compared to May 2007 (\$2.929), an increase of 55.8 percent. Compared to May 2006, the May 2008 rate increased 140.2 cents, or 44.4 percent. The average hauling charges on the Pacific Northwest Order (FO 124) in May 2008 increased only 5.60 cents despite fuel prices in May 2008 being over \$1.60 higher than those in 2007. Although the increase in hauling is positively related to diesel prices, it may not be a strong relationship. On a percentage basis, the hauling charges increased only 9.9 percent while fuel costs increased by 55.9 percent. Another explanation may be that a comparison based solely on the month of May is perhaps too limited. When comparing diesel price data for the entire year, from June to May, the simple average of diesel prices for the twelve month period of June 2007 to May 2008 was \$3.482 while the same time period in 2006/2007 was \$2.907; a 19.8 percent increase. This indicates a steady increase throughout the year, as opposed to the dramatic May 2008 vs. May 2007 comparison. However, the increase in hauling rates from year-to-year does not vary as greatly as fuel prices, suggesting that institutional policies and other hauling-related costs may also be strong factors in hauling rates.

Hauling charges in Washington were lower west of the Cascade Mountain Range. Generally, counties located near Seattle, Washington, and further south, near Portland, Oregon, had the lowest hauling charges. The hauling charges increased with distance from Seattle, Washington and Portland, Oregon. This relationship is believed to be due to the location of dairy farms

relative to plants and the relative concentration of dairy farms. Washington's weighted average hauling rate increased almost ten cents compared to May 2007, or 14.8 percent. Most counties in Washington showed an increase in hauling, with increases ranging from 1.01 cents to 23.26 cents per-hundredweight. Within the state of Washington, there were clear differences between the hauling rates for dairy farmers located west of the Cascade Mountain Range and those located east of the mountains. Hauling rates in Western Washington averaged 49.24 cents per hundredweight and had a wide range of \$0.032 to \$6.526 per hundredweight. On the eastern side of the mountains, the weighted average rate was 81.82 cents and had a narrower, but still wide, range of \$0.088 to \$1.962 per hundredweight.

Hauling charges in Oregon were lowest in the coastal region and northwest region. The northwest part of Oregon is where the majority of dairy farms and the largest number of consumers and plants are located. Similar to Washington, higher hauling charges occurred in Oregon's eastern counties. The distance from the farms to the nearest handler is the probable cause of the higher hauling charges in eastern Oregon. Dairy farmers in some counties in western Oregon may incur relatively higher hauling charges due to the sparse producer numbers in those particular counties. On the western side of the state, hauling rates ranged from \$0.087 to \$4.332 per hundredweight, with an average of 46.50 cents. (Note that the regional data for Western Oregon includes data for Northern California.) East of the Cascade Mountain Range, the average hauling rate was 62.74 cents higher, at 109.24 cents. Statewide, Oregon's weighted average hauling rate increased 5.47 cents compared to May 2007, an increase of 13.6 percent. Only Benton, Coos, and Tillamook Counties showed decreases in hauling charges compared to May 2007.

In 2008, producers from the northern and southern parts of Idaho were pooled on the Pacific Northwest Order (FO 124). The southern part of the state has low hauling charges due to many large dairies located relatively close to plants, while northern Idaho's hauling charges are much higher. The higher hauling charges are most probably the result of fewer and much smaller dairies located further from plants, when compared to the southern part of the state. Idaho's weighted average hauling rate decreased by almost \$1.16 compared to May 2007.

California's weighted average hauling rate increased 101.05 cents compared to May 2007. The dramatic 91.8 percent increase from 2007 to 2008 could be attributed to milk moving farther in 2008. Siskiyou County, in Northern California bordering Oregon, was the only county that had producer milk pooled on the Pacific Northwest Order in 2007. The data for May 2008 also includes production and hauling charges for a producer in Glenn County, which is located about 200 miles south of the California/Oregon border.

Average hauling charges by county are displayed in the Appendix. Selected counties are combined with adjacent counties in order to maintain confidentiality. Table A-1 (on pages 8 and 9) shows weighted average hauling charges by county and state.

Table 1						
<u>Weighted Average Hauling Charge by State</u>						
<u>State</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
	- - - - - cents per cwt. - - - - -					
California	71.38	73.90	76.92	80.99	110.06	211.11
Idaho	116.69	37.87	39.85	31.02	153.27	37.29
Oregon	34.39	31.81	31.36	32.85	40.15	45.62
Washington	44.54	54.61	57.14	61.81	60.20	69.13
Total	42.76	49.50	51.71	53.27	56.64	62.24

Mapping data geographically is an ideal way to present and evaluate hauling charge data. Figure A-1 (on page 15) is a map of hauling charges by county. Figure A-3 (on page 17) is a map to reference county names to the maps that do not provide names and an outline of the Pacific Northwest Order. Figure A-1 shows that hauling charges in parts of the Oregon coast (Coos, Curry and Tillamook Counties) and western Washington (Clark and Whatcom Counties) were less than 40 cents. Most of these counties are either in areas characterized by larger volume producers, or a large number of producers located near a plant. Higher hauling charges were generally associated with counties located in more remote areas of the states. In support of the preceding statements, counties located near Seattle, Washington, and Portland, Oregon, have lower hauling charges than more distant, surrounding counties.

III. PRODUCER MILK AND PRODUCER NUMBERS

The Pacific Northwest Order's producer milk for May 2008 totaled 510.0 million pounds. Appendix Figure A-2 (on page 16) shows, on a map of the Northwest, current average pounds of milk per producer pooled on the Pacific Northwest Order. Appendix Table A-2 (on pages 10 and 11) provides the pounds of producer milk, producer numbers, and average milk production per producer. While there were fewer producers pooled in May 2008 compared to 2007, the producers that were pooled tended to be larger. Based on producer milk pooled, the average monthly deliveries per producer for the Pacific Northwest Order were 960,466 pounds, a 111,646 pound increase from May 2007. On a percentage basis, the 2008 average monthly deliveries per producer were up 13.2 percent.

Producer milk originating in Washington totaled 369.4 million pounds in May 2008, a decrease of 95.8 million pounds or 20.6 percent decline compared to May 2007. The county with the most milk pooled and the most producers was Whatcom County, with 97.5 million pounds and 132 producers. Whatcom County's producer count was down 7 compared to May 2007. The county with the second most production and producers was Yakima County with 83.9 million pounds of production and 39 producers. Typically, Yakima County has the most production and second-highest number of producers and totaled 185.6 million and 71, respectively in May 2007. The decrease is due to handler pooling decisions, rather than an absolute decrease in production and/or producers. Producer milk historically pooled on the Pacific Northwest was not pooled due

to the relationship between the Class III and uniform prices. Comparisons to the previous year are biased.

Producer milk originating in Oregon totaled 77.9 million pounds in May 2008 for the Pacific Northwest Order, a decrease of 47.1 million pounds or 37.7 percent compared to May 2007. The number of producers pooled on the Pacific Northwest Order in May 2008 was 107 in Oregon, a decrease of 126 producers from May 2007. Comparisons to the previous year are biased; handler decisions on pooling affected changes from previous year. Usually, Tillamook County has the most milk pooled and highest number of producers; however, due to pooling decisions, Marion County had the most production and producers. In May 2008, Marion County had 28.1 million pounds, and 32 producers, representing 36.1 percent of the state's pooled production and almost one-third of the Oregon's pooled producers.

Producer milk pooled on the Pacific Northwest Order originating in Idaho and California was 61.0 million pounds and 1.7 million pounds, respectively, in May 2008. The number of producers in Idaho and California was 16 and 4, respectively. For Idaho, comparisons to the previous year are biased; handler decisions on pooling affected changes from previous year because in May 2008, producer milk from southern Idaho was pooled. Producer milk pooled from California included an additional producer associated with the Order in 2008, resulting in an increase of 28.4 percent compared to May 2007.

IV. RELATIONSHIP BETWEEN MILK PRODUCTION AND HAULING CHARGES

A comparison of average hauling charges and specific ranges of milk production has historically shown an inverse relationship; as milk production increases, hauling charges generally decrease. In 2008, the expected inverse relationship between milk production and hauling charge rates is not evident across all ranges of milk production.

The data in this study shows that for the smaller dairy farms in the area, as the milk production of a dairy farm increases, the weighted average rate charged for hauling decreases. Beginning at the range of 200,000-300,000 pounds of milk per month, the relationship between changes in milk production and changes in hauling rates is less transparent. In complete contrast to the expected relationship between milk production and hauling rates, those dairy farmers with the highest levels of production (over 3 million pounds of milk per month) had weighted average hauling rates that were higher than smaller producers. This incongruity suggests that institutional policies and other hauling-related costs may have been stronger factors in hauling rates than level of milk production. It could also be that hauling rates may not accurately reflect actual costs.

One institutional factor contributing to the deviation from an inverse relationship is the way handlers of milk pay volume premiums instead of decreasing hauling rates to producers with large monthly milk deliveries. The proximity of larger dairy farms to milk processing and fluid milk outlets may also influence those dairy farms' hauling rates. Another factor could be the effect of the unique supply and demand elements of the organic milk market. Organic farmers' payment structure for hauling charges and premiums could be different than conventional dairy farmers due to agreements between processors and cooperatives for this niche product. As a

result, organic farmers' hauling rates may deviate from the traditional inverse relationship between volume of milk production and hauling rates.

Appendix Table A-5, representing 626 producers, shows the number of producers for each range of hauling charges and milk production for the Pacific Northwest Order. Included in the table is a weighted average hauling charge for each size-range of milk production, along with the minimum and maximum rates for each size-range. Appendix Table A-6, shows the percentage of producers for each range of hauling charges and milk production for the Pacific Northwest Order.

All of the different milk production ranges had a wide range of hauling charges. The minimum charge was under 52 cents for each range with a maximum charge of one dollar or more. The smallest producers, those with 50,000 pounds or less, had rates that ranged from \$0.304 to \$6.526. At the other end of the milk production range, those with more than three million pounds of milk per month, the hauling charges ranged from \$0.298 to \$1.039.

In the Pacific Northwest Order, 109 producers were charged over \$1.00 per hundredweight for hauling, up from 62 in 2007. Similar to 2007, the producers with charges over \$1.00 were distributed across all size ranges of milk production. Only seven of the 22 producers with less than 50,000 pounds had hauling charges less than 50 cents. The mid-range hauling charge (20 to 70 cents) is populated by a wide variety of producer sizes. There were 32 producers with hauling charges less than 20 cents and 224 producers with charges greater than 70 cents. While the average hauling rate for each size-range typically decreases as deliveries increased, for 2008 the relationship between size-range and hauling rate was not clear due to location or institutional factors that affect charges for hauling.

V. CONCLUSIONS

This study examined hauling charges for 626 producers whose milk was pooled on the Pacific Northwest Order in May 2008.

In May 2008, the weighted average hauling charges on the Pacific Northwest Order was 62.24 cents per hundredweight. Compared to previous years, data for May 2008 suggests that institutional policies and other hauling-related costs may have been stronger factors in hauling rates than changes in fuel prices.

By state, Idaho had the lowest weighted average hauling charge, followed by Oregon, Washington, and California.

In general, hauling charges on the Pacific Northwest Order appears to be determined by the density of farms in a region; the size of dairy farms; and their proximity to metropolitan areas or areas of intense milk processing. Hauling charges per hundredweight appear to have become somewhat less dependent on the volume of milk a producer delivers to the market. This may be due to the use of volume premiums paid to producers who deliver larger quantities of milk instead of lowering their hauling rates. Also, organic farmers' hauling rates may deviate from the traditional inverse relationship between volume of milk production and hauling rates. The payment structure for hauling charges and premiums could be different for organic farmers than conventional dairy farmers due to agreements between processors and cooperatives for this niche product.

Based on producer milk pooled, the average monthly deliveries per producer for the Pacific Northwest Order were 960,466 pounds, an 11,646 pound decrease from May 2007. A large portion of the increase is due to handler pooling decisions.

Table A-1
Weighted Average Hauling Charges By State and County
Pacific Northwest Order
May 2007 and 2008 *

State & County	2007	2008	Change
Cents per Cwt.			
California			
Siskiyou (& Glenn in 2008)	110.06	211.11	101.05
Weighted Average California	110.06	211.11	101.05
Idaho			
Bonner & Boundary	119.72	141.23	21.51
Idaho & Latah	176.35	200.86	24.51
Southern Idaho 1/	n/a	34.92	n/a
Weighted Average Idaho	153.27	37.29	(115.98)
Oregon 2/			
Benton	63.66	59.04	(4.62)
Clackamas	49.60	57.03	7.43
Clatsop	46.35	46.37	0.02
Coos	10.88	10.71	(0.17)
Josephine	R	78.82	R
Lane	66.55	90.54	23.99
Linn	56.51	74.31	17.80
Marion	47.08	55.40	8.32
Polk	46.07	53.38	7.31
Tillamook	24.07	23.98	(0.09)
Washington	58.35	70.46	12.11
Yamhill	R	51.39	R
Restricted - Eastern OR 3/	97.11	109.24	12.13
Restricted - Western OR 4/	49.05	77.33	28.28
Weighted Average Oregon	40.15	45.62	5.47

Table A-1
Weighted Average Hauling Charges By State and County
Pacific Northwest Order
May 2007 and 2008 *

State & County	2007	2008	Change
	Cents per Cwt.		
Washington			
Adams	85.30	103.19	17.89
Clallam & Jefferson	88.18	105.70	17.52
Clark & Cowlitz	20.83	44.09	23.26
Franklin	85.87	99.86	13.99
Grant & Kittitas	84.04	101.97	17.93
Grays Harbor	45.68	R	R
King	50.25	59.02	8.77
Klickitat & Benton	10.01	23.42	13.41
Lewis	54.97	65.07	10.10
Pacific (& Grays Harbor in 2008)	67.14	65.07	(2.07)
Pierce (& Thurston in 2008)	51.51	54.96	3.45
Skagit	55.45	61.67	6.22
Snohomish & Island	54.56	64.01	9.45
Spokane & Lincoln	81.57	103.70	22.13
Stevens	102.63	120.56	17.93
Thurston	42.07	R	R
Wahkiakum	65.34	87.40	22.06
Whatcom	37.14	38.15	1.01
Yakima	66.00	72.40	6.40
Weighted Average Washington	60.20	69.13	8.93
Pacific Northwest Order	56.64	62.24	5.60

* Data obtained from producer payrolls submitted by handlers.

In 2007 hauling charges based on milk pooled. In 2008, eligible milk not pooled due to price relationships between the Class III Price and the Uniform Price was included in the weighted average hauling charges shown in this table.

n/a - due to changes in pooling, comparison to previous or current year are not applicable

R - county had fewer than three producers with hauling charges, so data is restricted. See footnotes 1-3.

1/ Southern Idaho counties include: Gooding and Jerome.

2/ For this study, restricted counties in Oregon were combined with other restricted counties by region. See footnotes 2 & 3 for a list of counties associated with each region.

3/ Restricted counties include: Crook (2008), Deschutes (2007 & 2008), Klamath (2007 & 2008) & Umatilla (2007 & 2008).

4/ Restricted counties include: Curry (2007 & 2008), Jackson (2007 & 2008), Josephine (2007), Lincoln (2007), Multnomah (2007 & 2008) and Yamhill (2007).

Table A-2
Number of Producers, Pounds of Milk, and Average Pounds Per Producer By State and County *
Pacific Northwest Order
May 2007 and 2008

State & County	Number of Producers		Pounds of Producer Milk		Average Pounds Per Producer	
	2007	2008	2007	2008	2007	2008
- - - - - 1,000 pounds - - - - -						
California						
Siskiyou (& Glenn in 2008)	3	4	1,347	1,731	449	433
Total/Average California	3	4	1,347	1,731	449	433
Idaho						
Bonner & Boundary	3	3	428	405	143	135
Idaho & Latah	5	5	623	613	125	123
Southern Idaho	n/a	8	n/a	59,995	n/a	n/a
Total/Average Idaho	8	16	1,051	61,013	131	3,813
Oregon						
Baker & Malheur (& Umatilla in 2007)	3	n/a	3,233	n/a	1,078	n/a
Benton (& Lincoln in 2007)	4	3	2,812	2,881	703	960
Clackamas & Multnomah	9	9	1,311	1,258	146	140
Clatsop	5	n/a	2,175	n/a	435	n/a
Coos & Curry (& Josephine in 2007)	10	8	2,520	2,084	252	260
Crook, Deschutes, Jackson & Klamath	7	7	5,311	4,502	759	643
Josephine	1/	3	1/	830	n/a	277
Lane	6	6	4,672	4,905	779	817
Linn	6	6	5,238	5,214	873	869
Marion	30	32	26,466	28,138	882	879
Polk	5	5	8,573	9,217	1,715	1,843
Tillamook	125	4	48,368	974	387	244
Umatilla	2/	3	2/	4,025	n/a	1,342
Washington	17	14	5,728	4,999	337	357
Yamhill	6	7	8,562	8,887	1,427	1,270
Total/Average Oregon	233	107	124,970	77,912	536	728

Table A-2
Number of Producers, Pounds of Milk, and Average Pounds Per Producer By State and County *
Pacific Northwest Order
May 2007 and 2008

State & County	Number of Producers		Pounds of Producer Milk		Average Pounds Per Producer	
	2007	2008	2007	2008	2007	2008
- - - - - 1,000 pounds - - - - -						
Washington						
Adams	11	11	14,495	16,115	1,318	1,465
Clallam & Jefferson	3	3	1,171	979	390	326
Clark & Cowlitz	9	9	8,034	8,130	893	903
Franklin	8	8	22,452	24,333	2,807	3,042
Grant & Kittitas	25	25	40,118	43,700	1,605	1,748
Grays Harbor	10	8	2,815	3,791	282	474
King	31	30	16,825	16,776	543	559
Klickitat & Benton	5	4	2,891	1,281	578	320
Lewis	33	31	11,483	11,316	348	365
Lincoln & Spokane	11	11	2,014	1,906	183	173
Pacific	9	8	2,699	2,548	300	318
Pierce	4	4	2,211	2,326	553	581
Skagit	31	30	24,138	24,719	779	824
Snohomish & Island	32	31	20,243	20,620	633	665
Stevens	8	8	1,210	1,252	151	157
Thurston	10	8	8,653	7,388	865	923
Wahkiakum	4	4	777	766	194	191
Whatcom	139	132	97,235	97,502	700	739
Yakima	71	39	185,645	83,905	2,615	2,151
Total/Average Washington	454	404	465,108	369,352	1,024	914
Pacific Northwest Order	698	531	592,476	510,007	849	960

* Data obtained from producer payrolls submitted by handlers.

n/a = not applicable.

1/ In 2007, Josephine County, Oregon, had fewer than 3 producers and was included with Coos and Curry Counties, Oregon.

2/ In 2007, Umatilla County, Oregon, had fewer than 3 producers and was included with Baker and Malheur Counties, Oregon.

Table A-3
Cross Tabulation of Number of Producers Between Region and Hauling Charges
Pacific Northwest Order
May 2008

Hauling Charges (cents per hundredweight)																
<div><div>Less than 10</div><div>10 to 20</div><div>20 to 30</div><div>30 to 40</div><div>40 to 50</div><div>50 to 60</div><div>60 to 70</div><div>70 to 80</div><div>80 to 100</div><div>Greater than 100</div><div>Total</div></div>												Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)		
Region	- - - - - number of producers - - - - -															
	Western WA	1	17	1	51	38	44	46	42	13	18	271	49.24	3.21	652.60	
	Eastern WA	1	2	-	-	-	-	31	11	20	65	130	81.82	8.75	196.24	
	Western OR 1/	2	9	90	24	5	23	8	13	15	14	203	46.50	8.73	433.22	
	Eastern OR	-	-	-	-	1	-	-	-	1	4	6	109.24	45.00	320.13	
	Idaho	-	-	-	8	-	-	-	-	-	-	8	16	37.29	34.50	212.29
	Total	4	28	91	83	44	67	85	66	49	109	626	62.24	3.21	652.60	

Table A-4
Cross Tabulation of Percentage of Producers Between Region and Hauling Charges
Pacific Northwest Order
May 2008

Hauling Charges (cents per hundredweight)															
<div><div>Less than 10</div><div>10 to 20</div><div>20 to 30</div><div>30 to 40</div><div>40 to 50</div><div>50 to 60</div><div>60 to 70</div><div>70 to 80</div><div>80 to 100</div><div>Greater than 100</div><div>Total 1/</div></div>												Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
Region	- - - - - percent of producers - - - - -														
	Western WA	0.2	2.7	0.2	8.1	6.1	7.0	7.3	6.7	2.1	2.9	43.3	49.24	3.21	652.60
	Eastern WA	0.2	0.3					5.0	1.8	3.2	10.4	20.8	81.82	8.75	196.24
	Western OR 1/	0.3	1.4	14.4	3.8	0.8	3.7	1.3	2.1	2.4	2.2	32.4	46.50	8.73	433.22
	Eastern OR					0.2				0.2	0.6	1.0	109.24	45.00	320.13
	Idaho				1.3						1.3	2.6	37.29	34.50	212.29
Total 2/		0.6	4.5	14.5	13.3	7.0	10.7	13.6	10.5	7.8	17.4	100.0	62.24	3.21	652.60

1/ Western Oregon region includes data for Northern California.

2/ Total may not add due to rounding.

Table A-5
Cross Tabulation of Number of Producers Between Milk Production and Hauling Charges
Pacific Northwest Order
May 2008

Hauling Charges (cents per hundredweight)															
<div><div>Less than 10</div><div>10 to 20</div><div>20 to 30</div><div>30 to 40</div><div>40 to 50</div><div>50 to 60</div><div>60 to 70</div><div>70 to 80</div><div>80 to 100</div><div>Greater than 100</div><div>Total</div></div>												Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
Milk Production (1,000 pounds)	- - - - - number of producers - - - - -														
	Less than 50	-	-	-	6	1	1	-	-	-	14	22	115.92	30.44	652.60
	50 to 100	-	4	10	4	-	-	-	7	6	14	45	76.43	17.25	320.13
	100 to 200	-	12	20	2	2	13	9	15	15	23	111	68.65	12.64	202.36
	200 to 300	1	6	15	9	10	6	4	13	5	8	77	53.35	3.21	138.78
	300 to 400	-	4	6	4	14	1	11	3	2	4	49	51.75	9.77	117.12
	400 to 500	-	2	13	-	3	2	5	6	4	2	37	61.56	9.51	433.22
	500 to 600	1	-	9	-	5	4	7	3	2	3	34	53.96	9.04	114.28
	600 to 700	2	-	2	5	-	5	3	4	2	4	27	59.96	8.73	115.67
	700 to 1,000	-	-	8	11	6	11	11	5	3	4	59	55.75	20.66	127.21
	1,000 to 3,000	-	-	8	36	3	21	18	10	6	29	131	64.44	20.49	120.00
	More than 3,000	-	-	-	6	-	3	17	-	4	4	34	63.00	29.82	103.90
Total		4	28	91	83	44	67	85	66	49	109	626	62.24	3.21	652.60

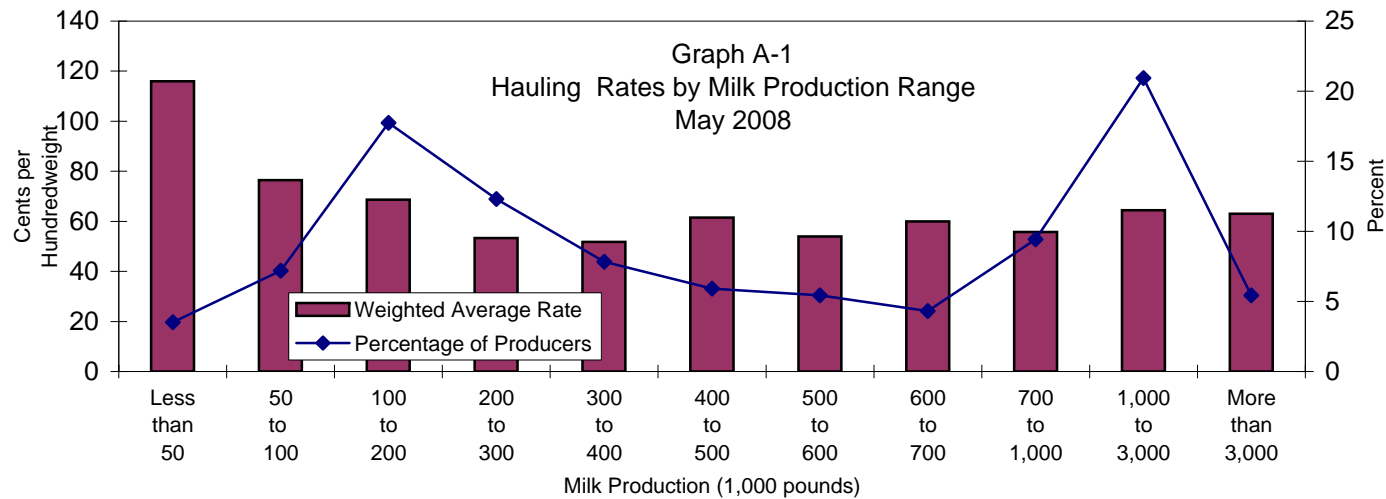
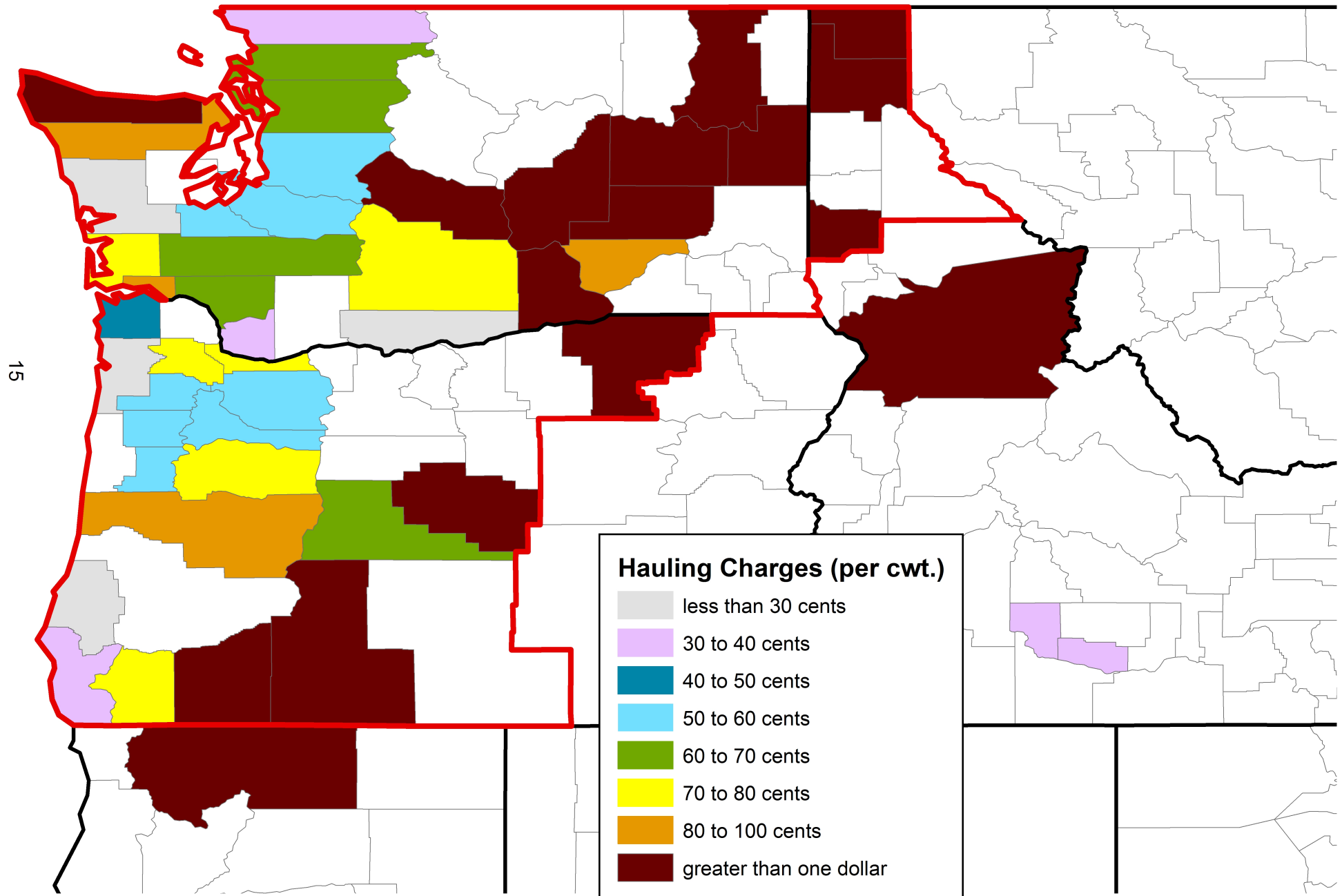


Table A-6
Cross Tabulation of Percentage of Producers Between Milk Production and Hauling Charges
Pacific Northwest Order
May 2008

Hauling Charges (cents per hundredweight)															
<div><div>Less than 10</div><div>10 to 20</div><div>20 to 30</div><div>30 to 40</div><div>40 to 50</div><div>50 to 60</div><div>60 to 70</div><div>70 to 80</div><div>80 to 100</div><div>Greater than 100</div><div>Total 1/</div></div>												Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
Milk Production (1,000 pounds)	- - - - - percent of producers - - - - -														
	Less than 50				1.0	0.2	0.2			2.2	3.5	115.92	30.44	652.60	
	50 to 100		0.6	1.6	0.6				1.1	1.0	2.2	7.2	76.43	17.25	320.13
	100 to 200		1.9	3.2	0.3	0.3	2.1	1.4	2.4	2.4	3.7	17.7	68.65	12.64	202.36
	200 to 300	0.2	1.0	2.4	1.4	1.6	1.0	0.6	2.1	0.8	1.3	12.3	53.35	3.21	138.78
	300 to 400		0.6	1.0	0.6	2.2	0.2	1.8	0.5	0.3	0.6	7.8	51.75	9.77	117.12
	400 to 500		0.3	2.1		0.5	0.3	0.8	1.0	0.6	0.3	5.9	61.56	9.51	433.22
	500 to 600	0.2		1.4		0.8	0.6	1.1	0.5	0.3	0.5	5.4	53.96	9.04	114.28
	600 to 700	0.3		0.3	0.8		0.8	0.5	0.6	0.3	0.6	4.3	59.96	8.73	115.67
	700 to 1,000			1.3	1.8	1.0	1.8	1.8	0.8	0.5	0.6	9.4	55.75	20.66	127.21
	1,000 to 3,000			1.3	5.8	0.5	3.4	2.9	1.6	1.0	4.6	20.9	64.44	20.49	120.00
	More than 3,000				1.0		0.5	2.7		0.6	0.6	5.4	63.00	29.82	103.90
Total 1/	0.6	4.5	14.5	13.3	7.0	10.7	13.6	10.5	7.8	17.4	100.0	62.24	3.21	652.60	

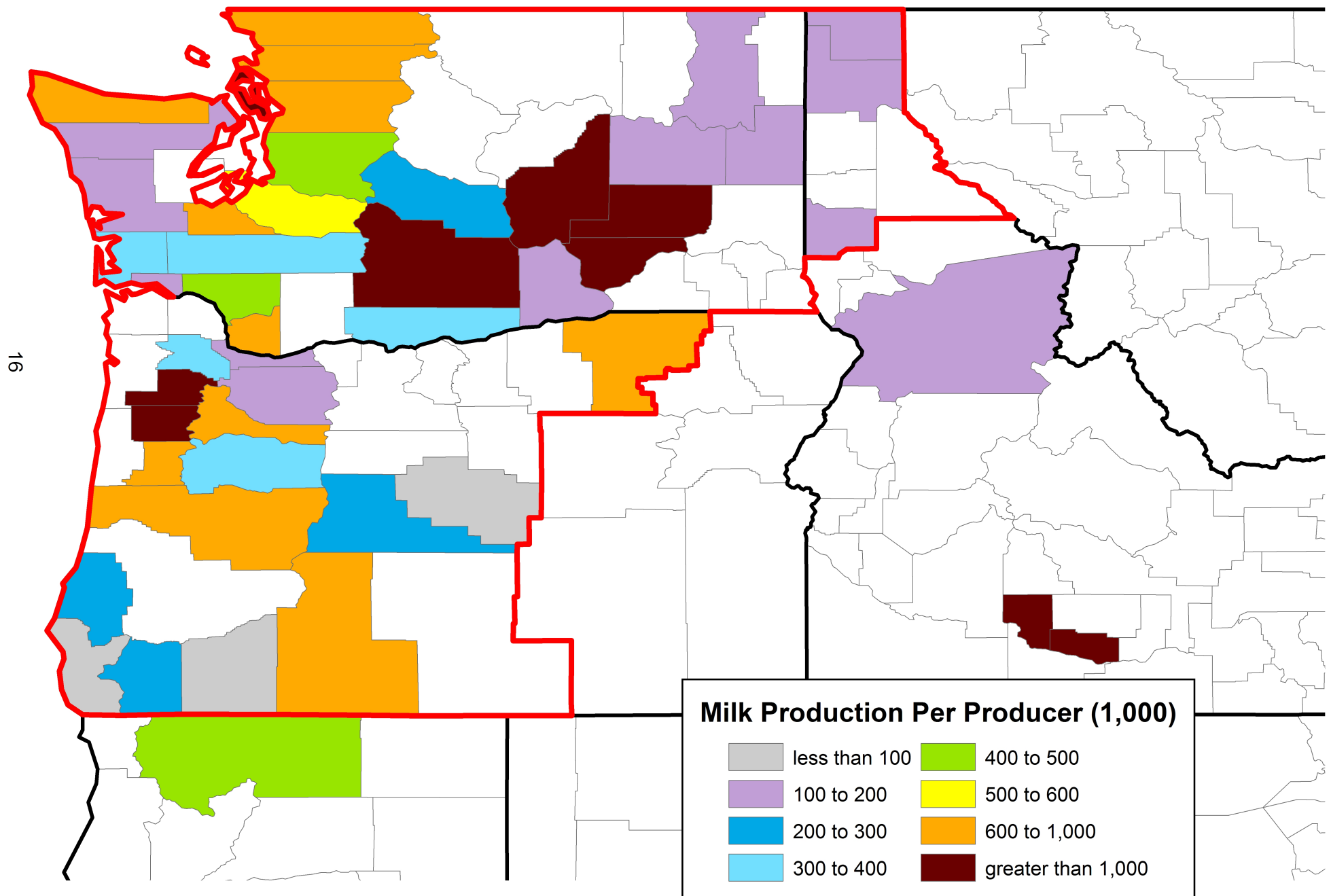
1/ Total may not add due to rounding.

FIGURE A-1
Weighted Average Hauling Charges
Pacific Northwest Order: May 2008



* Note: Data for Glenn County, California, not included on map due to size constraints. Glenn County would be shaded in brown.

FIGURE A-2
Average Milk Production Per Producer
Pacific Northwest Order: May 2008



* Note: Data for Glenn County, California, not included on map due to size constraints. Glenn County would be shaded in green.

FIGURE A-3
Marketing Area of the Pacific Northwest Order

