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

PACIFIC NORTHWEST ORDER

MAY 2009 (with comparison to May of previous years)

Staff Paper 10-02

Lori Espe

July 2010

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MAY 2009 (with comparison to May of previous years)

Lori Espe

Abstract

Hauling charges were examined for 606 producers in May 2009. 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 2009, the weighted average for hauling charges on the Pacific Northwest Order was 53.40 cents per hundredweight, down 8.84 cents from May 2008.
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; 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 amount 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 1,052,484 pounds, a 92,019 pound increase from May 2008. A large portion of the increase is due to handler pooling decisions.

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

PACIFIC NORTHWEST ORDER

MAY 2009 (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 657 producers and 691.5 million pounds of producer milk pooled in May 2009. A total of 606 producers had hauling charges and were included in this study. 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 2008, 2007 and 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 2009 appears to indicate relative efficiency of hauling, as it relates to the density and size of dairy farms and their proximity to milk processors.

Hauling charges for producers associated with the Pacific Northwest Order averaged 53.40 cents per hundredweight in May 2009. The 2009 average was down 8.84 cents from May 2008; a 14.2 percent decrease. By state, hauling charges averaged 36.53 cents in Idaho, 41.38 cents in

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Oregon, 57.65 cents in Washington, and 109.11 cents in California. (See Table 1.) California hauling rates decreased the most compared to 2008, decreasing by 102.00 cents per hundredweight. Due to changes in pooling, the 2008 hauling figure for California included milk that originated a significant distance from the Oregon/California border. Oregon and Washington decreased four and eleven cents per hundredweight, respectively. The average hauling rate in Idaho decreased slightly in 2009 when compared to 2008, showing a decline of 0.76 cents per hundredweight, or only 2.0 percent. Hauling rates in Southern Idaho continued to be distinctly 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 2008 and 2009. Appendix Table A-3, representing 606 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 2009. According to the Energy Information Administration (EIA), monthly West Coast No. 2 diesel retail sales by all sellers shows that diesel prices in May 2009 (\$2.340) decreased 222.3 cents compared to May 2008 (\$4.563), a decrease of 48.7 percent. Compared to May 2007, the May 2009 rate decreased 58.9 cents, or 20.1 percent. The average hauling charges on the Pacific Northwest Order (FO 124) in May 2009 decreased only 8.84 cents despite fuel prices in May 2009 being over \$2.00 lower than those in 2008. Although the decrease in hauling is positively related to diesel prices, it may not be a strong relationship. On a percentage basis, the hauling charges decreased only 14.2 percent while fuel costs decreased by 48.7 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 2008 to May 2009 was \$3.199 while the same time period in 2007/2008 was \$3.482; an 8.1 percent decrease. This indicates a steady decrease throughout the year, as opposed to the dramatic May 2009 vs. May 2008 comparison. However, the changes 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. For example, there was great volatility in diesel prices over the 2008/2009 time period. Comparing data from May 2005, diesel prices hit a five-year high of \$4.852 and low of \$2.166 in June 2008 and March 2009, respectively. Over this brief, eight-month time period, diesel prices dropped \$2.686 per gallon, or 55.4 percent.

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 decreased over 11 cents compared to May 2008, or 16.6 percent. Most counties in Washington showed a decrease in hauling, with decreases ranging from 3.59 cents to 20.65 cents per hundredweight. Within the state of Washington, there were 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 42.91 cents per hundredweight and had a wide range of \$0.072 to \$4.316 per hundredweight. On the eastern side of the mountains, the weighted average rate was 65.90 cents and had a narrower, but still wide, range of \$0.103 to \$2.123 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 \$0.108 to \$1.717 per hundredweight, with an average of 40.36 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 53.32 cents higher, at 93.68 cents. Statewide, Oregon's weighted average hauling rate decreased 4.24 cents compared to May 2008, a decrease of 9.3 percent. Only Coos, Polk and Tillamook Counties showed increases in hauling charges compared to May 2008; however these increases were very small.

In 2009, producers from the northern and southern parts of Idaho were pooled on the Pacific Northwest Order. 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 remained fairly steady and decreased by just 0.76 cents compared to May 2008.

California's weighted average hauling rate decreased 102 cents compared to May 2008, returning to a rate similar to the one in May 2007. Similar to 2007, Siskiyou County, in Northern California bordering Oregon, was the only county that had producer milk pooled on the Pacific Northwest Order in 2009. The dramatic decrease from 2008 to 2009 may be attributed to milk moving farther in 2008, as the 2008 data included 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 Charges by State</u>						
<u>State</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	- - - - - cents per cwt. - - - - -					
California	73.90	76.92	80.99	110.06	211.11	109.11
Idaho	37.87	39.85	31.02	153.27	37.29	36.53
Oregon	31.81	31.36	32.85	40.15	45.62	41.38
Washington	54.61	57.14	61.81	60.20	69.13	57.65
Total	49.50	51.71	53.27	56.64	62.24	53.40

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 and Tillamook Counties) and Western Washington (Clark, Grays Harbor 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 2009 totaled 691.5 million pounds. Please note that the production figures in this section are compiled from data for all producers pooled on the order, including those that did not have a hauling deduction. 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. Comparisons to the previous year are biased; handler decisions on pooling affected changes from previous year. There were 126 more producers pooled in May 2009 compared to 2008, and the average production per producer increased as well. Based on producer milk pooled, the average monthly deliveries per producer for the Pacific Northwest Order were 1,052,484 pounds, a 92,019 pound increase from May 2008. On a percentage basis, the 2009 average monthly deliveries per producer were up 9.6 percent.

Producer milk originating in Washington totaled 473.9 million pounds in May 2009, an increase of 104.5 million pounds or 28.3 percent incline compared to May 2008. Since all eligible milk was pooled in May 2009, the distribution of producers and amount of producer milk returned to historical patterns. The county with the most milk pooled and the second-largest number of producers was Yakima County, with 192.2 million pounds and 73 producers. Yakima County's producer count was up 34 compared to May 2008. The county with the most producers and the

second highest pounds of production was Whatcom County with 95.0 million pounds of production and 124 producers.

Producer milk originating in Oregon totaled 175.8 million pounds in May 2009 for the Pacific Northwest Order, an increase of 97.9 million pounds or 125.7 percent compared to May 2008. The number of producers pooled on the Pacific Northwest Order in May 2009 was 217 in Oregon, an increase of 110 producers from May 2008. In May 2009, Tillamook County had 113 producers, the most of any county in Oregon and representing over 50 percent of the state's producers. The highest production figures were found in Eastern Oregon, where the combination of Morrow and Umatilla Counties' production totaled 55.8 million pounds.

Producer milk pooled on the Pacific Northwest Order originating in Idaho and California was 40.5 million pounds and 1.2 million pounds, respectively, in May 2009. The number of producers in Idaho and California was 18 and 3, respectively. For Idaho, comparisons to the previous year are biased; handler decisions on pooling affected changes from the previous year because in May 2009, the producer milk from southern Idaho was pooled, while it was not in May 2008. Producer milk pooled from California had one fewer producer associated with the Order when compared to the previous year's number of pooled producers, resulting in a 28.4 percent decrease in pounds compared to May 2008.

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 2009, 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 500,000-600,000 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 and that hauling rates may not accurately reflect actual hauling 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 level of milk production and hauling rates.

Appendix Table A-5, representing 606 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 eight cents for each range with a maximum charge of over four dollars. The smallest producers, those with 50,000 pounds or less, had rates that ranged from \$0.337 to \$4.316. 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 \$0.205 to \$1.068.

In the Pacific Northwest Order, 69 producers were charged over \$1.00 per hundredweight for hauling, down from 109 in 2008. Similar to 2008, the producers with charges over \$1.00 were distributed across all size ranges of milk production. Only two 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 20 producers with hauling charges less than 20 cents and 159 producers with charges greater than 70 cents. While the average hauling rate for each size-range typically decreases as deliveries increased, for 2009 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 606 producers whose milk was pooled on the Pacific Northwest Order in May 2009.

In May 2009, the weighted average hauling charges on the Pacific Northwest Order was 53.40 cents per hundredweight. Compared to previous years, data for May 2009 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 amount 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 level 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 1,052,484 pounds, a 92,019 pound increase from May 2008. 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 2008 and 2009 *

State & County	2008	2009	Change
Cents per Cwt.			
California			
Siskiyou (& Glenn in 2008)	211.11	109.11	(102.00)
Weighted Average California	211.11	109.11	(102.00)
Idaho			
Bonner & Boundary	141.23	120.55	(20.68)
Idaho & Latah	200.86	165.85	(35.01)
Southern Idaho 1/	34.92	34.02	(0.90)
Weighted Average Idaho	37.29	36.53	(0.76)
Oregon 2/			
Benton	59.04	52.20	(6.84)
Clackamas	57.03	50.56	(6.47)
Clatsop	46.37	46.14	(0.23)
Coos	10.71	14.54	3.83
Josephine	78.82	71.36	(7.46)
Lane	90.54	65.45	(25.09)
Linn	74.31	60.17	(14.14)
Marion	55.40	49.31	(6.09)
Polk	53.38	53.95	0.57
Tillamook	23.98	24.07	0.09
Washington	70.46	61.74	(8.72)
Yamhill	51.39	R	R
Restricted - Eastern OR 3/	109.24	93.68	(15.56)
Restricted - Western OR 4/	77.33	43.02	(34.31)
Weighted Average Oregon	45.62	41.38	(4.24)

Table A-1
Weighted Average Hauling Charges By State and County
Pacific Northwest Order
May 2008 and 2009 *

State & County	2008	2009	Change
	Cents per Cwt.		
Washington			
Adams	103.19	84.59	(18.60)
Clallam & Jefferson	105.70	88.87	(16.83)
Clark & Cowlitz	44.09	37.21	(6.88)
Franklin	99.86	79.39	(20.47)
Grant & Kittitas	101.97	82.76	(19.21)
King	59.02	46.66	(12.36)
Klickitat & Benton	23.42	39.68	16.26
Lewis	65.07	67.69	2.62
Pacific & Grays Harbor	65.07	56.13	(8.94)
Pierce & Thurston	54.96	45.91	(9.05)
Skagit	61.67	52.96	(8.71)
Snohomish & Island	64.01	52.96	(11.05)
Spokane & Lincoln	103.70	83.05	(20.65)
Stevens	120.56	101.62	(18.94)
Wahkiakum	87.40	75.60	(11.80)
Whatcom	38.15	34.56	(3.59)
Yakima	72.40	58.45	(13.95)
Weighted Average Washington	69.13	57.65	(11.48)
Pacific Northwest Order	62.24	53.40	(8.84)

* Data obtained from producer payrolls submitted by handlers.

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. In 2009, hauling charges were based on milk pooled.

R - county had fewer than three producers with hauling charges, so data is restricted. See footnotes 1-4.

1/ Southern Idaho counties include: Ada (2009), Canyon (2009), Gem (2009), Gooding (2008), Jerome (2008) and Owyhee (2009).

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, Deschutes, Klamath & Umatilla (in both 2008 & 2009 for all four counties).

4/ Restricted counties include: Curry (2008), Jackson (2008 & 2009), Multnomah (2008 & 2009) and Yamhill (2009).

Table A-2
Number of Producers, Pounds of Milk, and Average Pounds Per Producer By State and County *
Pacific Northwest Order
May 2008 and 2009

State & County	Number of Producers		Pounds of Producer Milk		Average Pounds Per Producer	
	2008	2009	2008	2009	2008	2009
- - - - - 1,000 pounds - - - - -						
California						
Siskiyou (& Glenn in 2008)	4	3	1,731	1,240	433	413
Total/Average California	4	3	1,731	1,240	433	413
Idaho						
Bonner & Boundary	3	3	405	363	135	121
Idaho & Latah	5	4	613	534	123	133
Southern Idaho	8	11	59,995	39,648	7,499	3,604
Total/Average Idaho	16	18	61,013	40,545	3,813	2,252
Oregon						
Benton	3	3	2,881	2,664	960	888
Clackamas & Multnomah	9	9	1,258	1,200	140	133
Clatsop	n/a	4	n/a	1,958	n/a	489
Coos (& Curry in 2008)	8	7	2,084	2,040	260	291
Crook, Deschutes, Jackson & Klamath	7	8	4,502	5,493	643	687
Josephine	3	3	830	912	277	304
Lane	6	4	4,905	4,562	817	1,141
Linn	6	6	5,214	4,858	869	810
Marion	32	31	28,138	28,080	879	906
Morrow (& Umatilla in 2009)	n/a	6	n/a	55,794	n/a	9,299
Polk	5	5	9,217	9,769	1,843	1,954
Tillamook	4	113	974	44,632	244	395
Umatilla	3	1/	4,025	1/	1,342	1/
Washington	14	13	4,999	5,411	357	416
Yamhill	7	5	8,887	8,445	1,270	1,689
Total/Average Oregon	107	217	77,912	175,819	728	810

Table A-2
Number of Producers, Pounds of Milk, and Average Pounds Per Producer By State and County *
Pacific Northwest Order
May 2008 and 2009

State & County	Number of Producers		Pounds of Producer Milk		Average Pounds Per Producer	
	2008	2009	2008	2009	2008	2009
- - - - - 1,000 pounds - - - - -						
Washington						
Adams	11	10	16,115	15,048	1,465	1,505
Clallam & Jefferson	3	3	979	1,027	326	342
Clark & Cowlitz	9	9	8,130	7,934	903	882
Franklin	8	10	24,333	31,443	3,042	3,144
Grant & Kittitas	25	24	43,700	43,438	1,748	1,810
Grays Harbor	8	8	3,791	3,758	474	470
King	30	26	16,776	15,086	559	580
Klickitat & Benton	4	5	1,281	3,009	320	602
Lewis	31	30	11,316	10,645	365	355
Pacific	8	8	2,548	2,540	318	317
Pierce	4	3	2,326	1,658	581	553
Skagit	30	27	24,719	20,721	824	767
Snohomish & Island	31	31	20,620	19,827	665	640
Spokane & Lincoln	11	10	1,906	1,869	173	187
Stevens	8	7	1,252	1,019	157	146
Thurston	8	7	7,388	6,987	923	998
Wahkiakum	4	4	766	691	191	173
Whatcom	132	124	97,502	94,991	739	766
Yakima	39	73	83,905	192,187	2,151	2,633
Total/Average Washington	404	419	369,352	473,878	914	1,131
Pacific Northwest Order	531	657	510,007	691,482	960	1,052

* Data obtained from producer payrolls submitted by handlers.

n/a = not applicable.

1/ In 2009, Umatilla County, Oregon, had fewer than 3 producers and was included with Morrow County, Oregon.

Table A-3
Cross Tabulation of Number of Producers Between Region and Hauling Charges
Pacific Northwest Order
May 2009

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	9	13	51	55	52	36	12	12	13	254	42.91	7.24	431.61
	Eastern WA	-	2	1	-	13	33	4	21	27	36	137	65.90	10.34	212.32
	Western OR 1/	-	8	91	23	18	14	15	9	7	10	195	40.36	10.80	171.69
	Eastern OR	-	-	-	-	1	-	-	1	1	3	6	93.68	48.08	174.56
	Idaho	-	-	-	5	1	-	1	-	-	7	14	37.39	32.94	176.46
	Total	1	19	105	79	88	99	56	43	47	69	606	53.40	7.24	431.61

Table A-4
Cross Tabulation of Percentage of Producers Between Region and Hauling Charges
Pacific Northwest Order
May 2009

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>												Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
Total 1/															
Region	- - - - - percent of producers - - - - -														
	Western WA	0.2	1.5	2.1	8.4	9.1	8.6	5.9	2.0	2.0	2.1	41.9	42.91	7.24	431.61
	Eastern WA		0.3	0.2		2.1	5.4	0.7	3.5	4.5	5.9	22.6	65.90	10.34	212.32
	Western OR 1/		1.3	15.0	3.8	3.0	2.3	2.5	1.5	1.2	1.7	32.2	40.36	10.80	171.69
	Eastern OR					0.2			0.2	0.2	0.5	1.0	93.68	48.08	174.56
	Idaho				0.8	0.2		0.2			1.2	2.3	37.39	32.94	176.46
Total 2/		0.2	3.1	17.3	13.0	14.5	16.3	9.2	7.1	7.8	11.4	100.0	53.40	7.24	431.61

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 2009

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	-	-	-	2	-	1	2	1	2	14	22	112.93	33.69	431.61
	50 to 100	-	-	9	3	1	1	6	3	10	7	40	69.03	25.85	176.46
	100 to 200	-	-	32	1	5	13	12	9	8	14	94	59.19	19.88	174.56
	200 to 300	1	11	11	9	17	8	8	6	7	8	86	50.99	7.24	129.10
	300 to 400	-	2	12	4	10	7	5	2	4	1	47	46.44	13.44	110.77
	400 to 500	-	2	5	4	3	3	1	3	-	-	21	42.20	11.83	78.55
	500 to 600	-	2	11	3	4	10	6	3	2	3	44	50.38	11.29	110.64
	600 to 700	-	1	5	8	3	7	3	-	2	1	30	46.20	10.80	109.64
	700 to 1,000	-	1	7	11	11	9	6	-	1	5	51	49.19	10.34	111.92
	1,000 to 3,000	-	-	10	28	21	29	5	10	10	15	128	57.08	20.63	116.14
	More than 3,000	-	-	3	6	13	11	2	6	1	1	43	52.13	20.45	106.82
Total		1	19	105	79	88	99	56	43	47	69	606	53.40	7.24	431.61

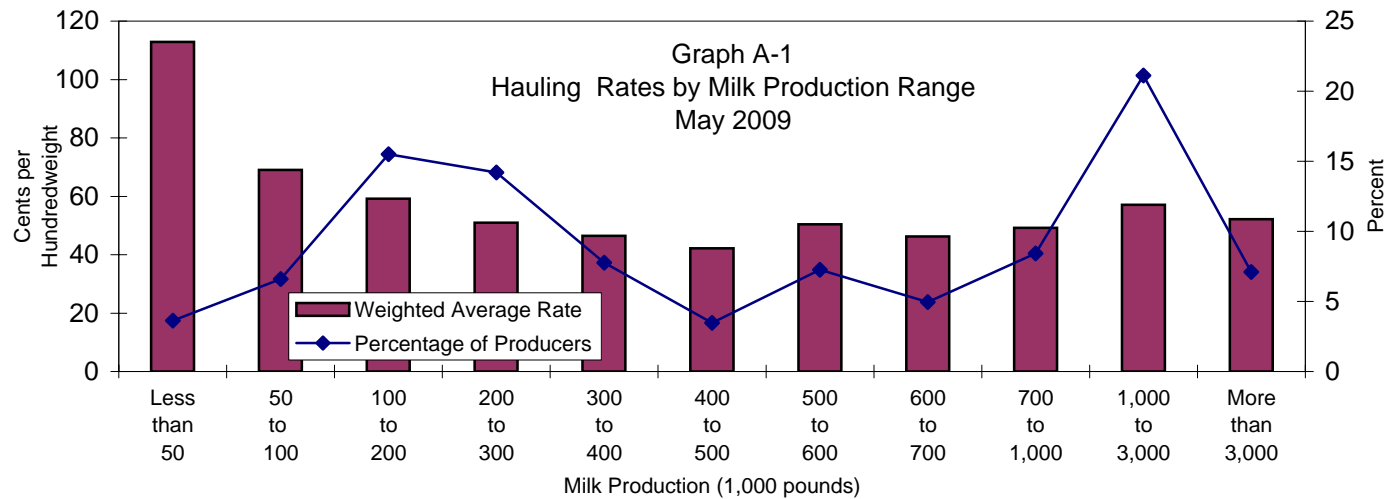


Table A-6
Cross Tabulation of Percentage of Producers Between Milk Production and Hauling Charges
Pacific Northwest Order
May 2009

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				0.3		0.2	0.3	0.2	0.3	2.3	3.6	112.93	33.69	431.61
	50 to 100			1.5	0.5	0.2	0.2	1.0	0.5	1.7	1.2	6.6	69.03	25.85	176.46
	100 to 200			5.3	0.2	0.8	2.1	2.0	1.5	1.3	2.3	15.5	59.19	19.88	174.56
	200 to 300	0.2	1.8	1.8	1.5	2.8	1.3	1.3	1.0	1.2	1.3	14.2	50.99	7.24	129.10
	300 to 400		0.3	2.0	0.7	1.7	1.2	0.8	0.3	0.7	0.2	7.8	46.44	13.44	110.77
	400 to 500		0.3	0.8	0.7	0.5	0.5	0.2	0.5			3.5	42.20	11.83	78.55
	500 to 600		0.3	1.8	0.5	0.7	1.7	1.0	0.5	0.3	0.5	7.3	50.38	11.29	110.64
	600 to 700		0.2	0.8	1.3	0.5	1.2	0.5		0.3	0.2	5.0	46.20	10.80	109.64
	700 to 1,000		0.2	1.2	1.8	1.8	1.5	1.0		0.2	0.8	8.4	49.19	10.34	111.92
	1,000 to 3,000			1.7	4.6	3.5	4.8	0.8	1.7	1.7	2.5	21.1	57.08	20.63	116.14
More than 3,000			0.5	1.0	2.1	1.8	0.3	1.0	0.2	0.2	7.1	52.13	20.45	106.82	
Total 1/		0.2	3.1	17.3	13.0	14.5	16.3	9.2	7.1	7.8	11.4	100.0	53.40	7.24	431.61

1/ Total may not add due to rounding.

FIGURE A-1
Weighted Average Hauling Charges
Pacific Northwest Order: May 2009

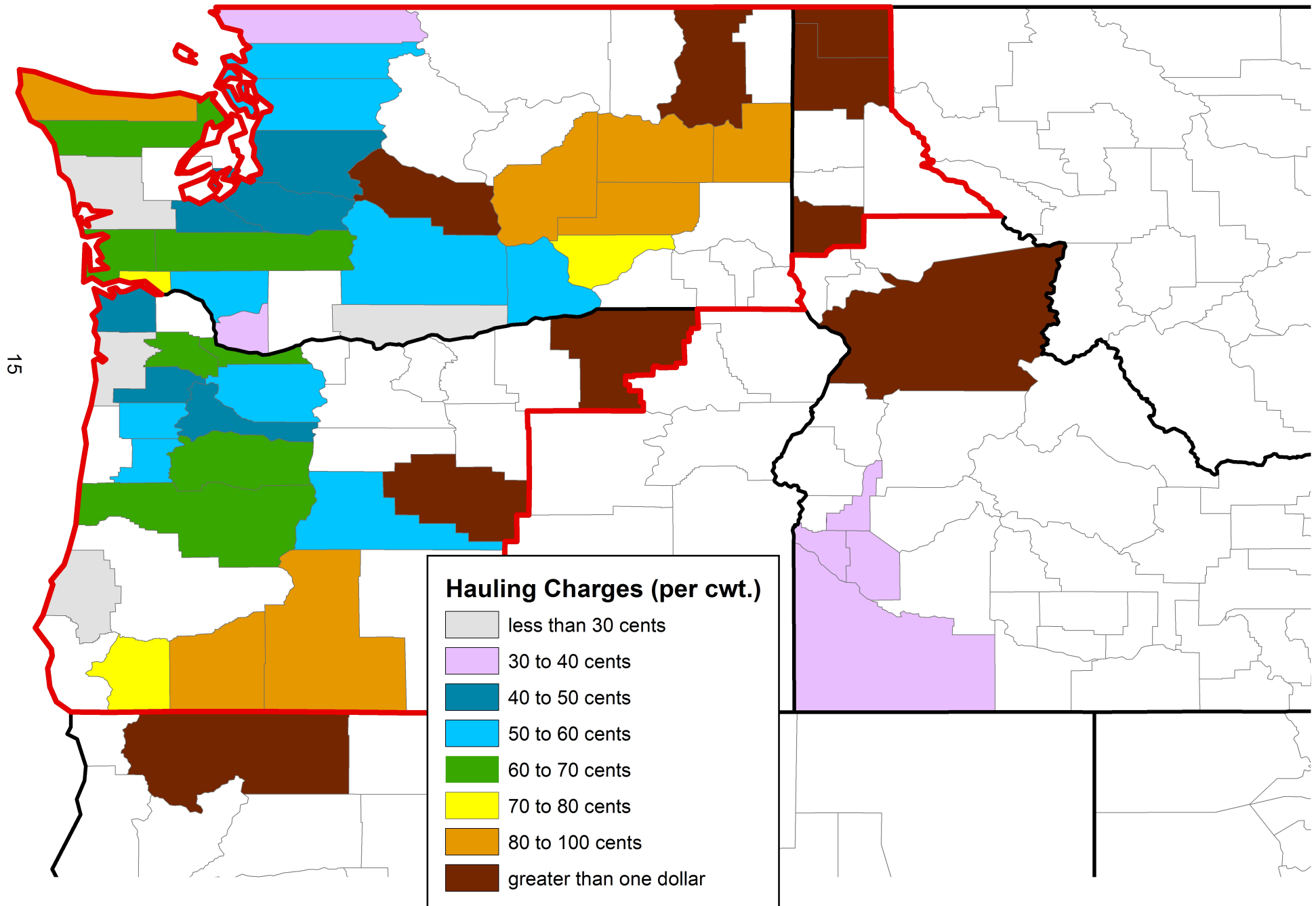


FIGURE A-2
Average Milk Production Per Producer
Pacific Northwest Order: May 2009

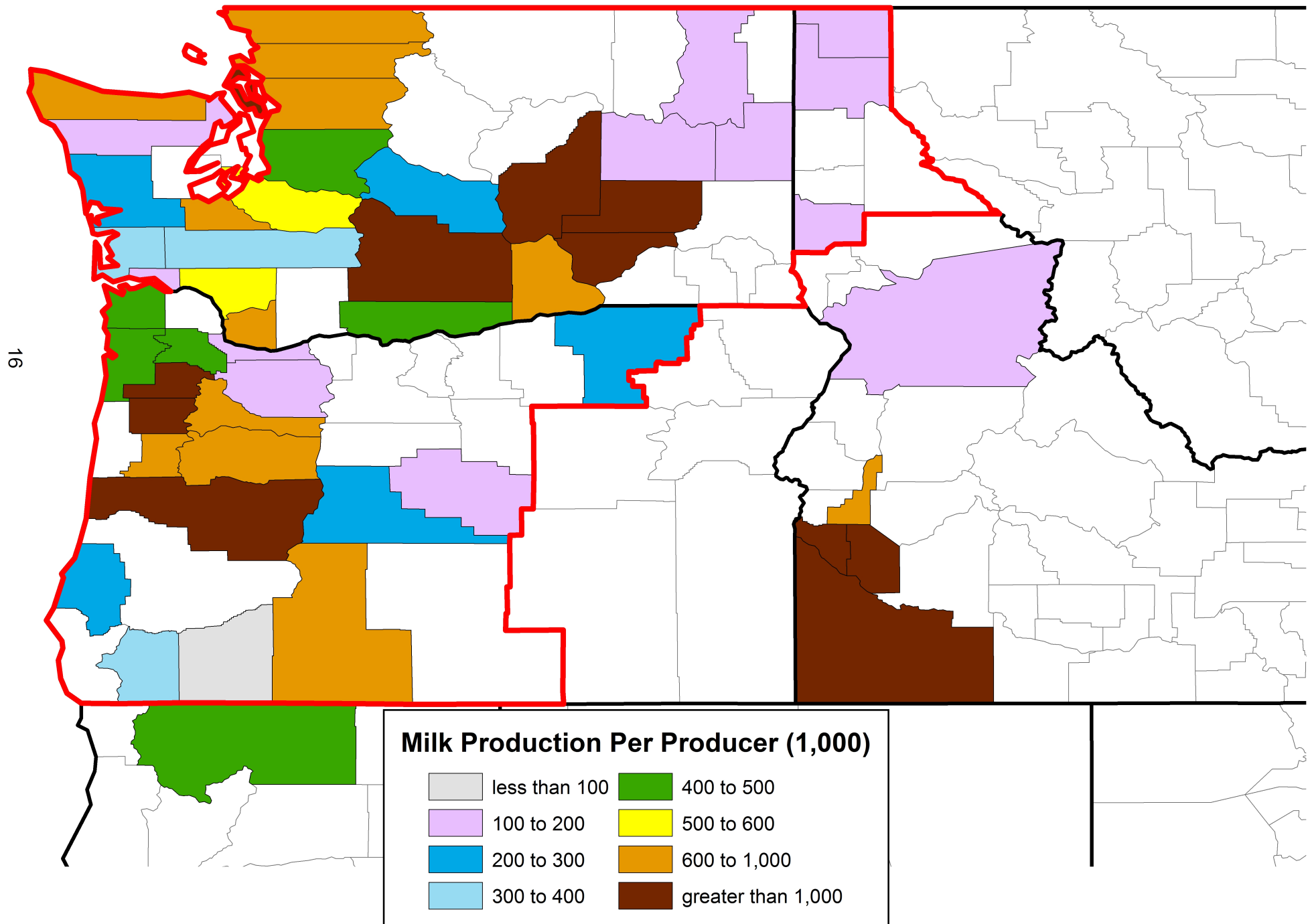


FIGURE A-3
Marketing Area of the Pacific Northwest Order

