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

PACIFIC NORTHWEST ORDER

MAY 2010 (with comparison to May of previous years)

Staff Paper 11-01

Lori Espe

June 2011

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Abstract

Hauling charges were examined for 605 producers in May 2010. 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 2010, the weighted average for hauling charges on the Pacific Northwest Order was 59.87 cents per hundredweight, up 6.47 cents from May 2009.
2. By state, Oregon had the lowest weighted average hauling charge, followed by California, Washington, and Idaho.
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. Although the size of a dairy farm could be an economic factor used to determine hauling charges, such a direct relationship is not clearly evident in the data. Several handlers utilize volume premiums, perhaps in lieu of adjusting individual hauling charges based on farm size. However, the effect of volume premiums is not addressed in this study.
4. Based on producer milk pooled, the average monthly deliveries per producer for the Pacific Northwest Order were 1,077,768 pounds, a 25,284 pound increase from May 2009.

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MAY 2010 (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 631 producers and 680.1 million pounds of producer milk pooled in May 2010. A total of 605 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 2010 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 59.87 cents per hundredweight in May 2010. The 2010 average was up 6.47 cents from May 2009; a

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12.1 percent increase. By state, hauling charges averaged 40.63 cents in Oregon, 56.09 cents in California, 64.58 cents in Washington, and 87.50 cents in Idaho. (See Table 1.) California hauling rates decreased the most compared to 2009, decreasing by 53.02 cents per hundredweight. In Idaho, the 2010 hauling rates more than doubled to be 50.97 cents higher in 2010 than in 2009. Washington's hauling rates increased 6.93 cents per hundredweight, representing a 12 percent increase. The hauling rates for Oregon were relatively stable, decreasing by just 0.75 cents per hundredweight in May 2010.

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 2009 and 2010. Appendix Table A-3, representing 605 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 2010. According to the Energy Information Administration (EIA), monthly West Coast No. 2 diesel retail sales by all sellers shows that diesel prices in May 2010 (\$3.179) increased 83.9 cents compared to May 2009 (\$2.340), an increase of 35.9 percent. The average hauling charges on the Pacific Northwest Order (FO 124) in May 2010 increased only 6.47 cents despite fuel prices in May 2010 being over \$0.80 higher than those in 2009. 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 12.1 percent while fuel costs increased by 35.9 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 2009 to May 2010 was \$2.875 while the same time period in 2008/2009 was \$3.199; a 10.1 percent decrease. 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.

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 6.93 cents compared to May 2009, or 12.0 percent. Most counties in Washington showed a decrease in hauling, with decreases ranging from 0.11 cents to 26.45 cents per hundredweight. However, the two counties with the largest volume of milk, Whatcom and Yakima, both showed increases in hauling rates compared to 2009. 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 48.08 cents per hundredweight and had a wide range of \$0.038 to \$3.766 per hundredweight. On the eastern side of the mountains, the weighted average rate was 74.05 cents and had a narrower, but still wide, range of \$0.108 to \$2.318 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 \$0.104 to \$1.897 per hundredweight, with an average of 38.37 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 22.76 cents higher, at 61.13 cents. Statewide, Oregon's weighted average hauling rate decreased 0.75 cents compared to May 2009, a decrease of 1.8 percent.

At first glance, the average hauling rate in Idaho increased by over 50 cents in 2010 when compared to 2009. However, the comparisons are biased due to different pooling patterns for the two years: 2009 data included hauling rates for milk pooled from Southern Idaho which is typically lower than those in Northern Idaho. For 2010, only milk from Northern Idaho was pooled and the hauling rates for those producers were lower than in 2009. 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. Comparing the 2009 and 2010 hauling rates for just the northern parts of Idaho indicates a decrease of around 30 cents per hundredweight.

California's weighted average hauling rate decreased 53.02 cents compared to May 2009. Similar to recent years, Siskiyou County, in Northern California bordering Oregon, was the only county that had producer milk pooled on the Pacific Northwest Order in 2010. The May 2010 hauling rate is the lowest in at least five years for milk pooled from Siskiyou County.

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.

<u>State</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	- - - - - cents per cwt. - - - - -					
California	76.92	80.99	110.06	211.11	109.11	56.09
Idaho	39.85	31.02	153.27	37.29	36.53	87.50
Oregon	31.36	32.85	40.15	45.62	41.38	40.63
Washington	57.14	61.81	60.20	69.13	57.65	64.58
Total	51.71	53.27	56.64	62.24	53.40	59.87

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, Jefferson and Thurston 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 2010 totaled 680.1 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. There were 26 fewer producers pooled in May 2010 compared to 2009, however, the average production per producer increased. Based on producer milk pooled, the average monthly deliveries per producer for the Pacific Northwest Order were 1,077,768 pounds, a 25,284 pound increase from May 2009. On a percentage basis, the 2010 average monthly deliveries per producer were up 2.4 percent.

Producer milk originating in Washington totaled 496.2 million pounds in May 2010, an increase of 22.3 million pounds or a 4.7 percent increase compared to May 2009. The county with the most milk pooled and the second-largest number of producers was Yakima County, with 207.2 million pounds and 72 producers. Yakima County’s producer count was down one compared to May 2009. The county with the most producers and the second highest pounds of production was Whatcom County with 88.4 million pounds of production and 121 producers.

Producer milk originating in Oregon totaled 182.2 million pounds in May 2010 for the Pacific Northwest Order, an increase of 6.4 million pounds or 3.6 percent compared to May 2009. The number of producers pooled on the Pacific Northwest Order in May 2010 was 214 in Oregon, a decrease of three producers from May 2009. In May 2010, Tillamook County had 108 producers, the most of any county in Oregon and representing around 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 59.5 million pounds.

Producer milk pooled on the Pacific Northwest Order originating in Idaho and California was 448,983 pounds and 1.3 million pounds, respectively, in May 2010. The number of producers in Idaho and California was three each. 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 2010. Producer milk pooled from California had the same number of producers associated with the Order when compared to the previous year's number of pooled producers.

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 2010, 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 three 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 possibly 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 605 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 four cents for each range with a maximum charge of almost four dollars. The smallest producers, those with 50,000 pounds or less, had rates that ranged from \$0.250 to \$3.766. 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 \$0.204 to \$1.093.

In the Pacific Northwest Order, 51 producers were charged over \$1.00 per hundredweight for hauling, down from 69 in 2009. Similar to 2009, the producers with charges over \$1.00 were distributed across all size ranges of milk production. Only four of the 29 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 25 producers with hauling charges less than 20 cents and 168 producers with charges greater than 70 cents. While the average hauling rate for each size-range typically decreases as deliveries increased, for 2010 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 605 producers whose milk was pooled on the Pacific Northwest Order in May 2010.

In May 2010, the weighted average hauling charges on the Pacific Northwest Order was 59.87 cents per hundredweight. Compared to previous years, data for May 2010 suggests that institutional policies and other hauling-related costs may have been stronger factors in hauling rates than changes in fuel prices.

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

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. Although the size of a dairy farm could be an economic factor used to determine hauling charges, such a direct relationship is not clearly evident in the data. Several handlers utilize volume premiums, perhaps in lieu of adjusting individual hauling charges based on farm size. However, the effect of volume premiums is not addressed in this study. 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 1,077,768 pounds, a 25,284 pound increase from May 2009.

Table A-1
 Weighted Average Hauling Charges By State and County
 Pacific Northwest Order
 May 2009 and 2010 *

State & County	2009	2010	Change
	Cents per Cwt.		
California			
Siskiyou	109.11	56.09	(53.02)
Weighted Average California	109.11	56.09	(53.02)
Idaho			
Bonner & Boundary (& Latah in 2010)	120.55	87.50	(33.05)
Idaho & Latah	165.85	R	R
Southern Idaho 1/	34.02	n/a	n/a
Weighted Average Idaho	36.53	87.50	50.97
Oregon 2/			
Benton	52.20	54.96	2.76
Clackamas	50.56	54.74	4.18
Clatsop	46.14	46.40	0.26
Coos	14.54	14.09	(0.45)
Josephine	71.36	52.23	(19.13)
Klamath	R	47.67	R
Lane	65.45	47.93	(17.52)
Linn	60.17	48.76	(11.41)
Marion	49.31	48.77	(0.54)
Polk	53.95	52.38	(1.57)
Tillamook	24.07	23.20	(0.87)
Washington	61.74	55.08	(6.66)
Restricted - Eastern OR 3/	93.68	68.69	(24.99)
Restricted - Western OR 4/	43.02	46.34	3.32
Weighted Average Oregon	41.38	40.63	(0.75)

Table A-1
 Weighted Average Hauling Charges By State and County
 Pacific Northwest Order
 May 2009 and 2010 *

State & County	2009	2010	Change
	Cents per Cwt.		
Washington			
Adams	84.59	78.49	(6.10)
Benton	5/	69.80	R
Clark & Cowlitz	37.21	23.63	(13.58)
Franklin	79.39	68.34	(11.05)
Grant & Kittitas	82.76	75.58	(7.18)
Grays Harbor (& Clallam & Jefferson in 2010)	6/	36.72	R
King	46.66	46.55	(0.11)
Klickitat (& Benton in 2009)	39.68	13.23	(26.45)
Lewis	67.69	59.42	(8.27)
Pacific (& Grays Harbor in 2009)	56.13	56.46	0.33
Skagit	52.96	50.51	(2.45)
Snohomish & Island	52.96	50.69	(2.27)
Spokane & Lincoln	83.05	83.61	0.56
Stevens	101.62	85.47	(16.15)
Thurston & Pierce	45.91	35.61	(10.30)
Wahkiakum	75.60	49.26	(26.34)
Whatcom	34.56	49.71	15.15
Yakima	58.45	74.58	16.13
Weighted Average Washington	57.65	64.58	6.93
Pacific Northwest Order	53.40	59.87	6.47

* Data obtained from producer payrolls submitted by handlers.

In 2009 & 2010 hauling charges were based on milk pooled.

R - county had fewer than three producers with hauling charges, so data is restricted. See footnotes 1-6.
 n/a = not applicable.

- 1/ Southern Idaho counties include: Ada, Canyon, Gem, and Owyhee.
- 2/ For this study, restricted counties in Oregon were combined with other restricted counties by region. See footnotes 3 & 4 for a list of counties associated with each region.
- 3/ Restricted counties include: Crook (2009), Deschutes (2009 & 2010), Klamath (2009), Morrow (2010) and Umatilla (2009 & 2010).
- 4/ Restricted counties include: Jackson, Multnomah and Yamhill (in both 2009 & 2010 for all three counties).
- 5/ Benton County was restricted in 2009 and combined with Klickitat County.
- 6/ Grays Harbor County was restricted in 2009 and combined with Pacific County.

Table A-2
Number of Producers, Pounds of Milk, and Average Pounds Per Producer By State and County *
Pacific Northwest Order
May 2009 and 2010

State & County	Number of Producers		Pounds of Producer Milk		Average Pounds Per Producer	
	2009	2010	2009	2010	2009	2010
----- 1,000 pounds -----						
California						
Siskiyou	3	3	1,240	1,291	413	430
Total/Average California	3	3	1,240	1,291	413	430
Idaho						
Bonner & Boundary (& Latah in 2010)	3	3	363	449	121	150
Idaho & Latah	4	1/	534	1/	133	1/
Southern Idaho	11	n/a	39,648	n/a	3,604	n/a
Total/Average Idaho	18	3	40,545	449	2,252	150
Oregon						
Benton	3	3	2,664	2,742	888	914
Clackamas & Multnomah	9	9	1,200	1,183	133	131
Clatsop	4	4	1,958	1,840	489	460
Coos	7	7	2,040	2,099	291	300
Deschutes, Jackson & Klamath (& Crook in 2009)	8	8	5,493	5,252	687	656
Josephine	3	3	912	1,005	304	335
Lane	4	4	4,562	4,763	1,141	1,191
Linn	6	6	4,858	4,997	810	833
Marion	31	31	28,080	28,528	906	920
Morrow & Umatilla	6	7	55,794	59,513	9,299	8,502
Polk	5	5	9,769	10,342	1,954	2,068
Tillamook	113	108	44,632	46,012	395	426
Washington	13	12	5,411	5,072	416	423
Yamhill	5	7	8,445	8,832	1,689	1,262
Total/Average Oregon	217	214	175,819	182,179	810	851

Table A-2
Number of Producers, Pounds of Milk, and Average Pounds Per Producer By State and County *
Pacific Northwest Order
May 2009 and 2010

State & County	Number of Producers		Pounds of Producer Milk		Average Pounds Per Producer	
	2009	2010	2009	2010	2009	2010
----- 1,000 pounds -----						
Washington						
Adams	10	9	15,048	15,680	1,505	1,742
Benton	2/	3	2/	5,878	2/	1,959
Clallam & Jefferson	3	3/	1,027	3/	342	3/
Clark & Cowlitz	9	10	7,934	7,650	882	765
Franklin	10	10	31,443	34,634	3,144	3,463
Grant & Kittitas	24	25	43,438	47,341	1,810	1,894
Grays Harbor (& Clallam & Jefferson in 2010)	8	10	3,758	5,270	470	527
King	26	23	15,086	14,147	580	615
Klickitat (& Benton in 2009)	5	3	3,009	1,035	602	345
Lewis	30	30	10,645	10,737	355	358
Pacific	8	9	2,540	2,515	317	279
Pierce	3	4/	1,658	4/	553	4/
Skagit	27	29	20,721	22,801	767	786
Snohomish & Island	31	26	19,827	19,545	640	752
Spokane & Lincoln	10	9	1,869	1,752	187	195
Stevens	7	8	1,019	1,421	146	178
Thurston (& Pierce in 2010)	7	10	6,987	9,421	998	942
Wahkiakum	4	4	691	709	173	177
Whatcom	124	121	94,991	88,446	766	731
Yakima	73	72	192,187	207,171	2,633	2,877
Total/Average Washington	419	411	473,878	496,154	1,131	1,207
Pacific Northwest Order	657	631	691,482	680,072	1,052	1,078

* Data obtained from producer payrolls submitted by handlers.

n/a = not applicable.

1/ In 2010, Idaho County, Idaho, did not have any pooled producers. Latah County had fewer than 3 producers and was included with Bonner & Boundary Counties.

2/ In 2009, Benton County had fewer than 3 producers and was included with Klickitat County.

3/ In 2010, Clallam and Jefferson Counties had fewer than 3 producers and was included with Grays Harbor County.

4/ In 2010, Pierce County had fewer than 3 producers and was included with Thurston County.

Table A-3
 Cross Tabulation of Number of Producers Between Region and Hauling Charges
 Pacific Northwest Order
 May 2010

		Hauling Charges (cents per hundredweight)										Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
		Less than 10	10 to 20	20 to 30	30 to 40	40 to 50	50 to 60	60 to 70	70 to 80	80 to 100	Greater than 100				Total
Region		----- number of producers -----													
	Western WA	5	9	11	11	71	62	50	18	16	15	268	48.08	3.75	376.56
	Eastern WA		3					42	45	16	31	137	74.05	10.80	231.84
	Western OR 1/ Eastern OR		8	93	13	19	20	12	12	6	4	187	38.37	10.43	189.72
	Idaho					4		4			1	10	61.13	43.31	128.70
	Total	5	20	104	24	94	82	108	75	42	51	605	59.87	3.75	376.56

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

		Hauling Charges (cents per hundredweight)										Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
		Less than 10	10 to 20	20 to 30	30 to 40	40 to 50	50 to 60	60 to 70	70 to 80	80 to 100	Greater than 100				Total 1/
Region		----- percent of producers -----													
	Western WA	0.8	1.5	1.8	1.8	11.7	10.2	8.3	3.0	2.6	2.5	44.3	48.08	3.75	376.56
	Eastern WA		0.5					6.9	7.4	2.6	5.1	22.6	74.05	10.80	231.84
	Western OR 1/ Eastern OR		1.3	15.4	2.1	3.1	3.3	2.0	2.0	1.0	0.7	30.9	38.37	10.43	189.72
	Idaho					0.7		0.7			0.2	1.7	61.13	43.31	128.70
	Total 2/	0.8	3.3	17.2	4.0	15.5	13.6	17.9	12.4	6.9	8.4	100.0	59.87	3.75	376.56

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 2010

		Hauling Charges (cents per hundredweight)										Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
		Less than 10	10 to 20	20 to 30	30 to 40	40 to 50	50 to 60	60 to 70	70 to 80	80 to 100	Greater than 100				Total
Milk Production (1,000 pounds)	Less than 50	----- number of producers -----										29	118.17	24.98	376.56
	50 to 100			1	3		2	1	1	1	20	42	68.62	23.53	128.70
	100 to 200		4	28	1	3	1	21	14	14	1	87	54.63	17.97	116.46
	200 to 300	1	8	9	8	2	10	15	9	5	1	68	50.93	7.21	123.52
	300 to 400		3	13	1	2	19	1	5	1	1	46	46.93	12.41	111.66
	400 to 500	1	1	8		2	13	4	2	2	1	34	49.71	3.75	119.73
	500 to 600		2	9	2	1	9	8	5			36	47.58	10.80	79.63
	600 to 700		2	5		8	5	5	2		1	28	49.43	10.43	116.22
	700 to 1,000	2		10	2	20	8	4	5	2	4	57	51.36	4.54	119.21
	1,000 to 3,000	1		9	4	51	12	18	27		14	136	60.48	4.38	118.87
More than 3,000			1	1	5	2	29	2		2	42	65.04	20.42	109.28	
Total		5	20	104	24	94	82	108	75	42	51	605	59.87	3.75	376.56

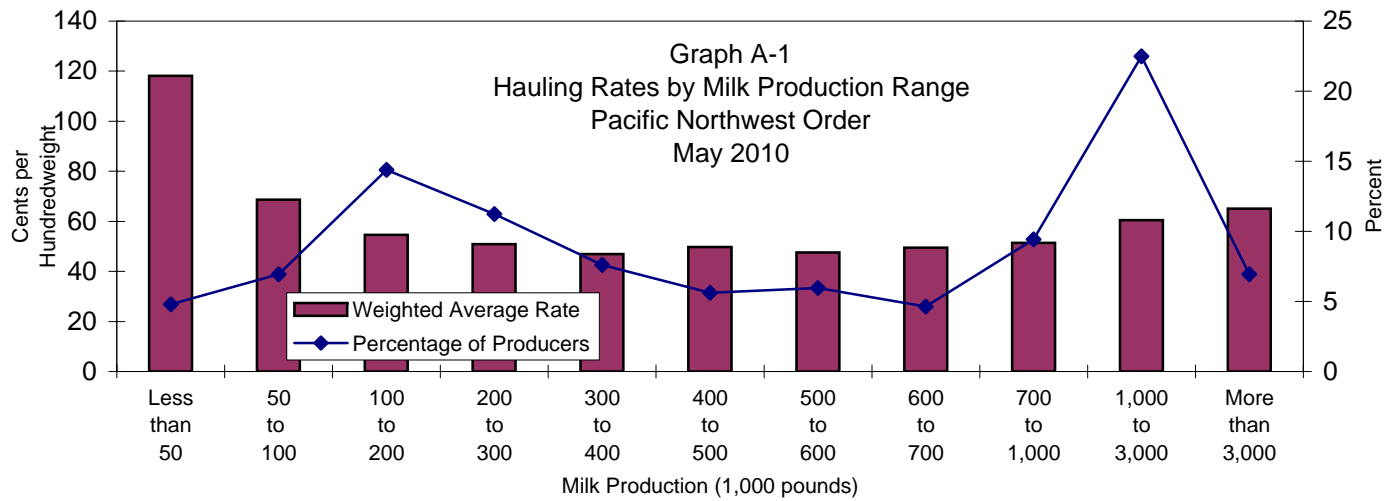


Table A-6
 Cross Tabulation of Percentage of Producers Between Milk Production and Hauling Charges
 Pacific Northwest Order
 May 2010

		Hauling Charges (cents per hundredweight)										Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
		Less than 10	10 to 20	20 to 30	30 to 40	40 to 50	50 to 60	60 to 70	70 to 80	80 to 100	Greater than 100				Total 1/
Milk Production (1,000 pounds)	Less than 50	----- percent of producers -----										118.17	24.98	376.56	
	50 to 100			0.2	0.5		0.3	0.2	0.2	0.2	3.3	4.8	68.62	23.53	128.70
	100 to 200			1.8	0.3		0.2	0.3	0.5	2.8	1.0	6.9	54.63	17.97	116.46
	200 to 300	0.2	0.7	4.6	0.2	0.5	0.2	3.5	2.3	2.3	0.2	14.4	50.93	7.21	123.52
	300 to 400		1.3	1.5	1.3	0.3	1.7	2.5	1.5	0.8	0.2	11.2	46.93	12.41	111.66
	400 to 500	0.2	0.5	2.1	0.2	0.3	3.1	0.2	0.8	0.2	0.2	7.6	49.71	3.75	119.73
	500 to 600		0.2	1.3		0.3	2.1	0.7	0.3	0.3	0.2	5.6	47.58	10.80	79.63
	600 to 700		0.3	1.5	0.3	0.2	1.5	1.3	0.8			6.0	49.43	10.43	116.22
	700 to 1,000		0.3	0.8		1.3	0.8	0.8	0.3	0.2	4.6	49.43	10.43	116.22	
	1,000 to 3,000	0.3		1.7	0.3	3.3	1.3	0.7	0.8	0.3	0.7	9.4	51.36	4.54	119.21
	More than 3,000	0.2		1.5	0.7	8.4	2.0	3.0	4.5		2.3	22.5	60.48	4.38	118.87
Total 1/	0.8	3.3	17.2	4.0	15.5	13.6	17.9	12.4	6.9	8.4	100.0	59.87	3.75	376.56	

1/ Total may not add due to rounding.

FIGURE A-1
Weighted Average Hauling Charges
Pacific Northwest Order: May 2010

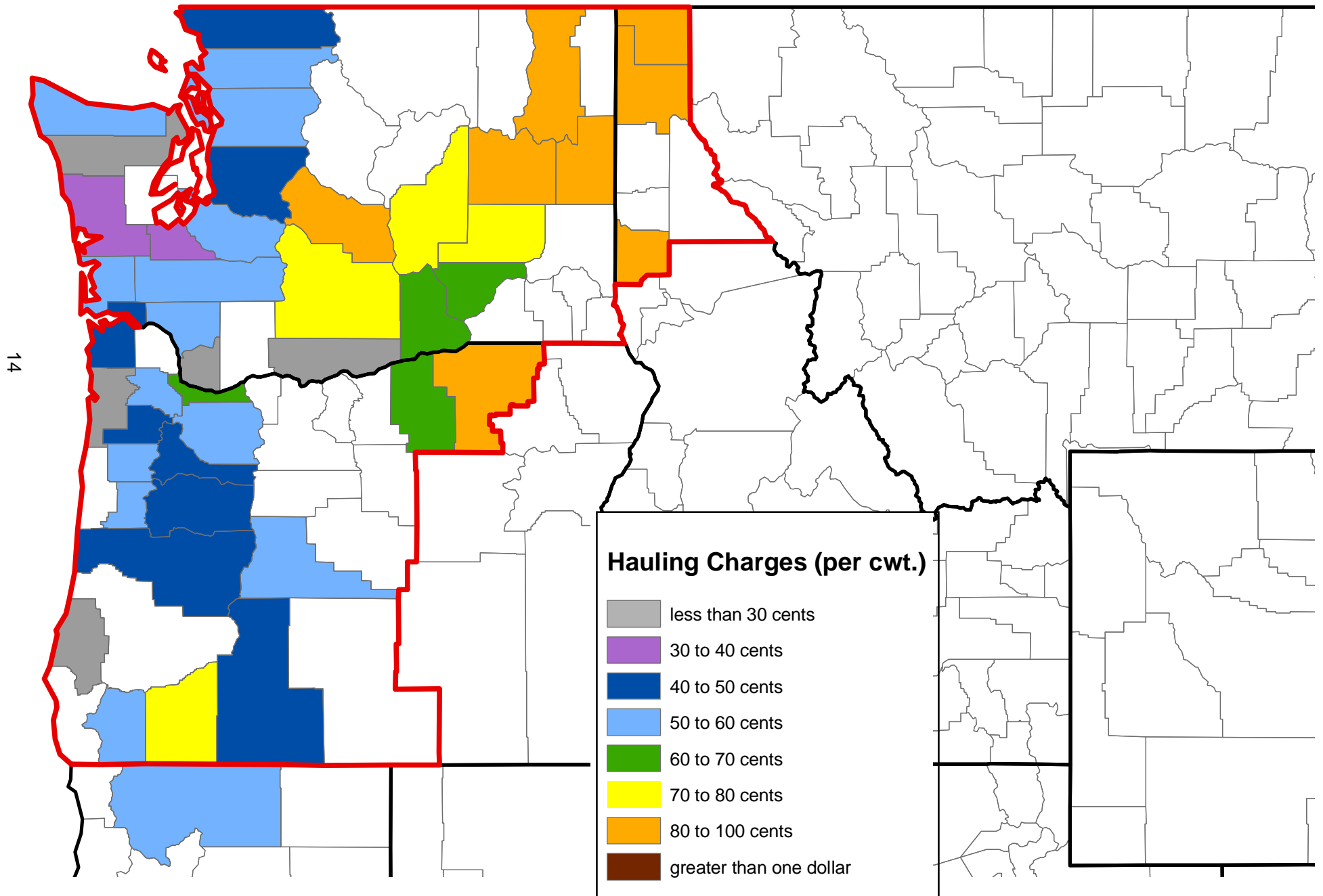


FIGURE A-2
Average Milk Production Per Producer
Pacific Northwest Order: May 2010

