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

PACIFIC NORTHWEST ORDER

MAY 2012 (with comparison to May of previous years)

Staff Paper 12-03

Lori Espe

December 2012

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MAY 2012 (with comparison to May of previous years)

Lori Espe

Abstract

Hauling charges were examined for 589 producers in May 2012. 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 2012, the weighted average for hauling charges on the Pacific Northwest Order was 62.37 cents per hundredweight, up 2.03 cents from May 2011.
2. By state, Idaho had the lowest weighted average hauling charge, followed by Oregon, California, and Washington. Idaho's weighted average included data from Utah in 2012.
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 1,196,618 pounds, a 27,392 pound decrease from May 2011.

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

PACIFIC NORTHWEST ORDER

MAY 2012 (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 616 producers and 737.1 million pounds of producer milk pooled in May 2012. A total of 589 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 these comparisons may be biased due to different pooling and sourcing decisions each year. For example, hauling data for 2011 and 2008 includes some eligible milk that was historically associated with the Pacific Northwest Order but was not pooled due to price relationships. Also, the amount of milk sourced from Southern Idaho and Utah varies each year, affecting year-to-year comparisons for this region. Please refer to previous years’ publications to explain methodology of the applicable year’s data.

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 2012 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 62.37 cents per hundredweight in May 2012. The 2012 average was up 2.03 cents from May 2011; a

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3.4 percent increase. By state, hauling charges averaged 40.33 cents in the Idaho/Utah area, 44.87 cents in Oregon, 63.64 cents in California, and 66.48 cents in Washington. (See Table 1.) Data for Utah represented fewer than three producers and was restricted. Compared to the other states, only the weighted average of the combined Idaho and Utah hauling rates decreased in 2012. In 2012, the combined Idaho/Utah hauling rates decreased by 16.75 cents per hundredweight, a decrease of 29.3 percent. Although Washington had the highest weighted average for 2012, it had the smallest year-to-year increase, averaging 1.9 cents more in 2012 than in 2011. California had the largest increase, averaging 5.04 cents higher than the previous year. Oregon's year-to-year change was 2.21 cents, representing an increase of 5.2 percent from 2011.

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 2011 and 2012. Appendix Table A-3, representing 589 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, 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. According to the Energy Information Administration (EIA), monthly West Coast No. 2 diesel retail sales by all sellers shows that diesel prices in May 2012 (\$4.247) decreased 0.2 cents compared to May 2011 (\$4.249), a decrease of 0.05 percent. The average hauling charges on the Pacific Northwest Order (FO 124) in May 2012 increased by 2.03 cents; however, fuel prices in May 2012 were steady to slightly lower than those in 2011. In the past, changes in hauling rates have been positively related to diesel prices, although, not an apparently strong relationship. On a percentage basis, the hauling charges in 2012 increased by 3.36 percent while fuel costs decreased by 0.05 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 2011 to May 2012 was \$4.12 while the same time period in 2010/2011 was \$3.51; a 17.4 percent increase. 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 was 66.48 cents per hundredweight, up 1.90 cents from May 2011. Most counties in Washington showed an increase in hauling, with increases ranging from 0.01 cents to 13.40 cents per hundredweight. Only Klickitat County showed a decrease in hauling rates compared to 2011. 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 54.17 cents per hundredweight and had a wide

range of \$0.037 to \$2.410 per hundredweight. On the eastern side of the mountains, the weighted average rate was 72.93 cents and had similar wide range of \$0.023 to \$2.837 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 \$0.026 to \$1.721 per hundredweight, with an average of 42.26 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 20.80 cents higher, at 63.06 cents. Statewide, Oregon's weighted average hauling rate increased 2.21 cents compared to May 2011, an increase of 5.2 percent.

At first glance, the average hauling rate in Idaho decreased by over 16 cents in 2012 when compared to 2011. However, the comparisons are biased due to different sourcing patterns for the two years. Data for 2012 included hauling rates for milk pooled from two counties in Southern Idaho and one county in Utah which are typically lower than those in Northern Idaho. Only milk from Northern Idaho and one county in Southern Idaho was pooled in 2011. The higher hauling charges in the northern part of the state are most probably the result of fewer and much smaller dairies located further from plants, when compared to the southern part of Idaho.

California's weighted average hauling rate increased 5.04 cents, or 8.6 percent, compared to May 2011. 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 2012.

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 7 and 8) shows weighted average hauling charges by county and state.

Table 1						
Weighted Average Hauling Charges by State						
<u>State</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
	- - - - - cents per cwt. - - - - -					
California	110.06	211.11	109.11	56.09	58.60	63.64
Idaho*	153.27	37.29	36.53	87.50	57.08	40.33
Oregon	40.15	45.62	41.38	40.63	42.66	44.87
Washington	60.20	69.13	57.65	64.58	64.58	66.48
Total	56.64	62.24	53.40	59.87	60.34	62.37

*Includes data for Cache County, Utah, in 2012.

Mapping data geographically is an ideal way to present and evaluate hauling charge data. Figure A-1 (on page 14) is a map of hauling charges by county. Figure A-3 (on page 16) 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 (Tillamook

County) 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 2012 totaled 737.1 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 15) 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 9 and 10) provides the pounds of producer milk, producer numbers, and average milk production per producer. There were 101 more producers pooled in May 2012 compared to 2011, however, the average production per producer decreased. These changes are largely due to handler pooling decisions. Based on producer milk pooled, the average monthly deliveries per producer for the Pacific Northwest Order were 1,196,618 pounds, a 27,392 pound decrease from May 2011. On a percentage basis, the 2012 average monthly deliveries per producer were down 2.24 percent.

Producer milk originating in Washington totaled 538.2 million pounds in May 2012, an increase of 106.3 million pounds or a 24.6 percent increase compared to May 2011. The increase is due to handler pooling decisions, rather than an absolute increase in production and/or producers. Producer milk historically pooled on the Pacific Northwest was not pooled in May 2011 due to the relationship between the Class IV and uniform prices. Comparisons to the previous year are biased. The county with the most milk pooled originating in Washington was Yakima County, with 227.2 million pounds and 71 producers. Yakima County's producer count decreased by one producer compared to May 2011. Whatcom County had the highest number of producers and the second highest production in the state, with 117 producers marketing 90.9 million pounds of milk.

Producer milk originating in Oregon totaled 196.5 million pounds in May 2012 for the Pacific Northwest Order, an increase of 0.3 million pounds or 0.2 percent compared to May 2011. The number of producers pooled on the Pacific Northwest Order in May 2012 was 200 in Oregon, a decrease of ten producers from May 2011. In May 2012, Tillamook County had 104 producers, the most of any county in Oregon and representing over 50 percent of the state's pooled producers. The highest production figures were found in Eastern Oregon, where the combination of Morrow and Umatilla Counties' production totaled 73.7 million pounds. For the most part, the overall increase in production in Oregon can be attributed to the increase in production in these counties, where the 2012 figures are 2.2 percent higher than the figures for May 2011.

Producer milk pooled on the Pacific Northwest Order originating in California remained steady at 1.4 million pounds in May 2012 representing the milk of three producers. 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.

For Idaho, year-to-year comparisons can be biased due to handler sourcing decisions; however, the 2011/2012 data was fairly steady. In May 2011, producers from the Northern Idaho counties of Bonner, Boundary and Latah were pooled, as well as Lincoln County in Southern Idaho. In May 2012, these same counties had production pooled on the Pacific Northwest Order, as well as Franklin County in Southern Idaho. Additionally, production figures for Cache County, Utah, were combined with data for Idaho in 2011 and 2012. Cache County had fewer than three producers pooled on the Order, so the data for this county is restricted. The combined production for the seven producers pooled from Idaho and Utah was 1,065,023 pounds in May 2012.

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 2012, 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 400,000-500,000 pounds of milk per month, the relationship between changes in milk production and changes in hauling rates is less transparent. In 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 589 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 three cents and the maximum charge was almost three dollars. The smallest producers, those with 50,000 pounds or less, had rates that ranged from \$0.338 to \$2.837. 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 \$0.209 to \$0.993.

In the Pacific Northwest Order, 55 producers were charged over \$1.00 per hundredweight for hauling, up from 45 in 2011. The producers with charges over \$1.00 were distributed mostly at the low end of size ranges of milk production. Only three of the 20 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 35 producers with hauling charges less than 20 cents and 192 producers with charges greater than 70 cents. While the average hauling rate for each size-range typically decreases as deliveries increased, for 2012 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 589 producers whose milk was pooled on the Pacific Northwest Order in May 2012.

In May 2012, the weighted average hauling charges on the Pacific Northwest Order was 62.37 cents per hundredweight. Compared to historical patterns, data for May 2012 suggests that institutional policies and other hauling-related costs may have been stronger factors in hauling rates than changes in fuel prices.

By state, the combined data for Idaho and Utah had the lowest weighted average hauling charge in May 2012, followed by Oregon, California, and Washington.

In general, hauling charges on the Pacific Northwest Order 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. 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 1,196,618 pounds, a 27,392 pound decrease from May 2011.

Table A-1
Weighted Average Hauling Charges By State and County 1/
Pacific Northwest Order
May 2011 and 2012 2/

State & County	2011	2012	Change
Cents per Cwt.			
California			
Siskiyou	58.60	63.64	5.04
Weighted Average California	58.60	63.64	5.04
Idaho			
Northern 3/4/5/	57.08	40.33	(16.75)
Southern Idaho	4/	4/	4/
Weighted Average Idaho	57.08	40.33	(16.75)
Oregon 6/			
Benton	59.83	64.42	4.59
Clackamas	52.09	49.94	(2.15)
Clatsop	46.25	46.13	(0.12)
Coos	13.35	n/a	n/a
Josephine	55.63	60.17	4.54
Klamath	53.38	54.85	1.47
Lane	53.32	R	R
Linn	56.63	70.14	13.51
Marion	50.92	53.95	3.03
Polk	53.52	52.37	(1.15)
Tillamook	23.04	23.10	0.06
Washington	57.54	60.86	3.32
Restricted - Eastern OR 7/	67.01	66.60	(0.41)
Restricted - Western OR 8/	51.09	52.25	1.16
Weighted Average Oregon	42.66	44.87	2.21
Utah			
Cache	n/a	5/	5/
Weighted Average Utah	n/a	5/	5/

Table A-1
Weighted Average Hauling Charges By State and County 1/
Pacific Northwest Order
May 2011 and 2012 2/

State & County	2011	2012	Change
Cents per Cwt.			
Washington			
Adams	76.77	78.46	1.69
Benton	69.42	70.68	1.26
Clark & Cowlitz	23.92	30.93	7.01
Franklin	68.10	68.42	0.32
Grant & Kittitas	79.46	79.53	0.07
Grays Harbor, Clallam & Jefferson	37.85	42.56	4.71
King	50.43	52.62	2.19
Klickitat	12.36	3.92	(8.44)
Lewis	58.96	59.72	0.76
Pacific	58.38	61.90	3.52
Skagit	51.87	54.62	2.75
Snohomish & Island	53.10	57.33	4.23
Spokane & Lincoln	87.44	92.67	5.23
Stevens	90.32	103.72	13.40
Thurston & Pierce	37.56	37.57	0.01
Wahkiakum	49.31	54.16	4.85
Whatcom	53.99	57.45	3.46
Yakima	71.07	72.03	0.96
Weighted Average Washington	64.58	66.48	1.90
Pacific Northwest Order	60.34	62.37	2.03

n/a = Not applicable

R = Restricted

1/ Data obtained from producer payrolls submitted by handlers.

2/ In 2011, eligible milk not pooled due to price relationships between the Class IV Price and the Uniform Price was included in the weighted average hauling charges shown in this table. In 2012, all eligible milk was pooled.

3/ Northern Idaho includes Bonner, Boundary & Latah both 2011 and 2012. See also footnotes 4 & 5.

4/ Data for Southern Idaho was restricted and included with Northern Idaho. Restricted counties include: Franklin (in 2012) and Lincoln (in 2011 & 2012).

5/ Data for Cache County, Utah, was restricted in 2011 & 2012 and included with Northern Idaho.

6/ For this study, restricted counties in Oregon were combined with other restricted counties by region. See footnotes 5 & 6 for a list of counties associated with each region.

7/ Restricted counties include: Deschutes, Morrow and Umatilla (in both 2011 & 2012 for all three counties).

8/ Restricted counties include: Jackson, Multnomah and Yamhill (in both 2011 & 2012 for all three counties) & Lane County (in 2012).

Table A-2
Number of Producers, Pounds of Milk, and Average Pounds Per Producer By State and County 1/
Pacific Northwest Order
May 2011 and 2012

State & County	Number of Producers 2/		Pounds of Producer Milk 2/		Average Pounds Per Producer 2/	
	2011	2012	2011	2012	2011	2012
- - - - - 1,000 pounds - - - - -						
California						
Siskiyou	3	3	1,405	1,389	468	463
Total/Average California	3	3	1,405	1,389	468	463
Idaho						
Northern Idaho 3/4/5/	6	7	956	1,065	159	152
Southern Idaho	4/	4/	4/	4/	4/	4/
Total/Average Idaho	6	7	956	1,065	159	152
Oregon						
Benton	3	3	3,048	3,219	1,016	1,073
Clackamas & Multnomah	8	7	1,111	1,043	139	149
Clatsop	4	4	1,671	2,004	418	501
Coos	7	n/a	2,355	n/a	336	n/a
Deschutes, Jackson & Klamath	8	8	5,205	5,674	651	709
Josephine	3	3	1,029	1,018	343	339
Lane	4	3	4,865	4,986	1,216	1,662
Linn	7	8	5,072	5,075	725	634
Marion	29	28	29,141	28,870	1,005	1,031
Morrow & Umatilla	8	9	72,099	73,669	9,012	8,185
Polk	5	5	10,142	10,567	2,028	2,113
Tillamook	105	104	45,675	45,762	435	440
Washington	12	12	5,355	5,198	446	433
Yamhill	7	6	9,370	9,394	1,339	1,566
Total/Average Oregon	210	200	196,138	196,480	934	982
Utah						
Cache	5/	5/	5/	5/	5/	5/
Total/Average Utah	5/	5/	5/	5/	5/	5/

Table A-2
Number of Producers, Pounds of Milk, and Average Pounds Per Producer By State and County 1/
Pacific Northwest Order
May 2011 and 2012

State & County	Number of Producers 2/		Pounds of Producer Milk 2/		Average Pounds Per Producer 2/	
	2011	2012	2011	2012	2011	2012
- - - - - 1,000 pounds - - - - -						
Washington						
Adams	9	9	17,480	18,042	1,942	2,005
Benton	3	3	6,879	7,025	2,293	2,342
Clark & Cowlitz	10	10	7,934	7,824	793	782
Franklin	11	11	39,863	43,858	3,624	3,987
Grant & Kittitas	24	23	49,631	52,576	2,068	2,286
Clallam, Grays Harbor & Jefferson	11	11	5,165	5,927	470	539
King	25	25	14,447	14,154	578	566
Klickitat	3	3	1,203	1,377	401	459
Lewis	30	30	11,342	11,248	378	375
Pacific	8	8	2,510	2,459	314	307
Skagit	31	31	24,863	23,859	802	770
Snohomish & Island	26	25	18,667	18,018	718	721
Spokane & Lincoln	7	7	1,449	1,520	207	217
Stevens	8	9	1,337	1,198	167	133
Thurston & Pierce	11	9	10,509	10,279	955	1,142
Wahkiakum	4	4	650	681	162	170
Whatcom	3	117	725	90,925	242	777
Yakima	72	71	217,213	227,210	3,017	3,200
Total/Average Washington	296	406	431,867	538,183	1,459	1,326
Pacific Northwest Order	515	616	630,365	737,117	1,224	1,197

1/ Data obtained from producer payrolls submitted by handlers.

2/ n/a = not applicable.

3/ Northern Idaho includes Bonner, Boundary & Latah Counties for 2011 & 2012. See also footnotes 4 & 5.

4/ Data for Southern Idaho was restricted and included with Northern Idaho. Restricted Counties include:
Franklin (in 2012) and Lincoln (in 2011 & 2012).

5/ Data for Cache County, Utah, was restricted in 2011 & 2012 and included in Northern Idaho.

Table A-3
Cross Tabulation of Number of Producers Between Region and Hauling Charges
Pacific Northwest Order
May 2012

Hauling Charges (cents per hundredweight)															
<div>Less than 1010 to 2020 to 3030 to 4040 to 5050 to 6060 to 7070 to 8080 to 100Greater than 100</div>												Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
Total															
Region	- - - - - number of producers - - - - -														
	Western WA	14	10	6	8	6	82	68	28	25	19	266	54.17	3.70	241.00
	Eastern WA	3						44	36	27	25	135	72.93	2.30	283.70
	Western OR 1/	4	1	88	11	10	19	12	10	8	7	170	42.26	2.60	172.10
	Eastern OR					1	3	3	1	1	2	11	63.06	45.00	130.50
	Idaho & Utah	2	1		1					1	2	7	40.33	6.40	112.90
Total		23	12	94	20	17	104	127	75	62	55	589	62.37	2.30	283.70

Table A-4
Cross Tabulation of Percentage of Producers Between Region and Hauling Charges
Pacific Northwest Order
May 2012

Hauling Charges (cents per hundredweight)															
<div>Less than 1010 to 2020 to 3030 to 4040 to 5050 to 6060 to 7070 to 8080 to 100Greater than 100</div>												Weighted Average Rate (cents / cwt.)	Minimum Rate (cents / cwt.)	Maximum Rate (cents / cwt.)	
Total 1/															
Region	----- percent of producers -----														
	Western WA	2.4	1.7	1.0	1.4	1.0	13.9	11.5	4.8	4.2	3.2	45.2	54.17	3.70	241.00
	Eastern WA	0.5						7.5	6.1	4.6	4.2	22.9	72.93	2.30	283.70
	Western OR 1/	0.7	0.2	14.9	1.9	1.7	3.2	2.0	1.7	1.4	1.2	28.9	42.26	2.60	172.10
	Eastern OR					0.2	0.5	0.5	0.2	0.2	0.3	1.9	63.06	45.00	130.50
	Idaho & Utah	0.3	0.2		0.2					0.2	0.3	1.2	40.33	6.40	112.90
Total 2/		3.9	2.0	16.0	3.4	2.9	17.7	21.6	12.7	10.5	9.3	100.0	62.37	2.30	283.70

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 2012

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				1	16	20	136.35	33.80	283.70
	50 to 100		3	10	4	1				5	17	40	71.64	18.60	155.80
	100 to 200		8	25	1	1	2		16	24	9	86	58.42	10.30	110.60
	200 to 300	13	1	6	6	2		16	10	9	1	64	51.12	6.40	101.40
	300 to 400	4		11	1	2		23	2	5	2	50	53.90	4.80	108.00
	400 to 500	2		8			4	9	4	2		29	50.05	4.40	90.50
	500 to 600			5	1		12	6	4			28	53.65	20.80	78.10
	600 to 700	1		7			12	3	3	1		27	49.74	2.60	82.90
	700 to 1,000	2		10	2	2	19	19	5	2	2	63	54.63	2.30	105.20
	1,000 to 3,000	1		11	3	5	50	22	23	11	8	134	62.81	3.70	127.10
	More than 3,000			1		3	5	29	8	2		48	66.45	20.90	99.30
Total	23	12	94	20	17	104	127	75	62	55	589	62.37	2.30	283.70	

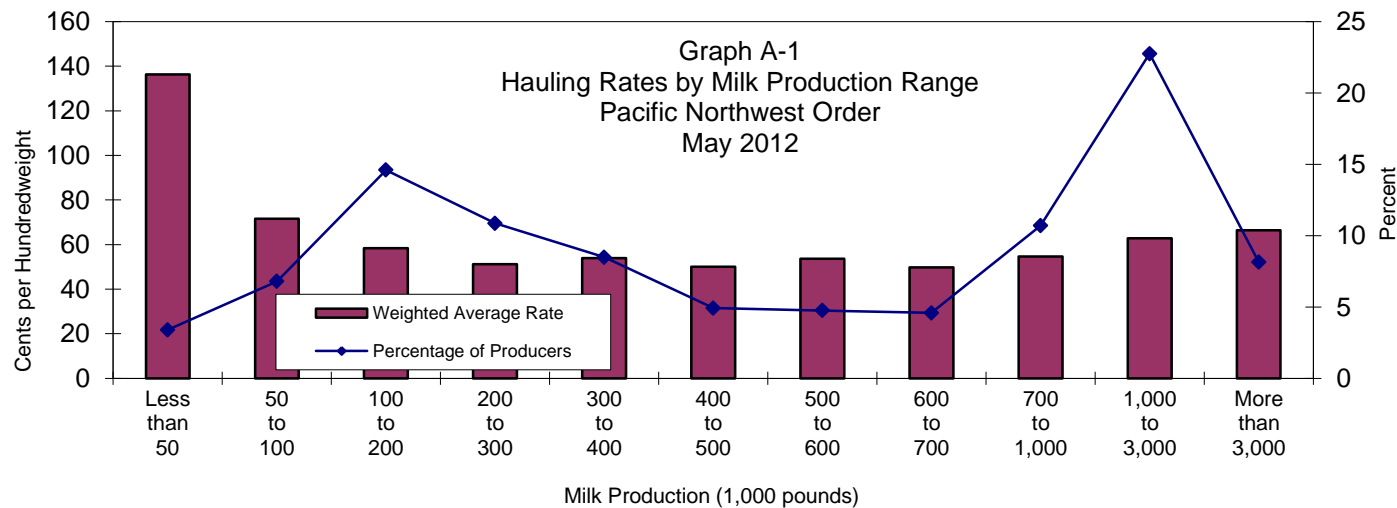


Table A-6
Cross Tabulation of Percentage of Producers Between Milk Production and Hauling Charges
Pacific Northwest Order
May 2012

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				0.2	2.7	3.4	136.35	33.80	283.70
	50 to 100		0.5	1.7	0.7	0.2				0.8	2.9	6.8	71.64	18.60	155.80
	100 to 200		1.4	4.2	0.2	0.2	0.3		2.7	4.1	1.5	14.6	58.42	10.30	110.60
	200 to 300	2.2	0.2	1.0	1.0	0.3		2.7	1.7	1.5	0.2	10.9	51.12	6.40	101.40
	300 to 400	0.7		1.9	0.2	0.3		3.9	0.3	0.8	0.3	8.5	53.90	4.80	108.00
	400 to 500	0.3		1.4			0.7	1.5	0.7	0.3		4.9	50.05	4.40	90.50
	500 to 600			0.8	0.2		2.0	1.0	0.7			4.8	53.65	20.80	78.10
	600 to 700	0.2		1.2			2.0	0.5	0.5	0.2		4.6	49.74	2.60	82.90
	700 to 1,000	0.3		1.7	0.3	0.3	3.2	3.2	0.8	0.3	0.3	10.7	54.63	2.30	105.20
	1,000 to 3,000	0.2		1.9	0.5	0.8	8.5	3.7	3.9	1.9	1.4	22.8	62.81	3.70	127.10
	More than 3,000			0.2		0.5	0.8	4.9	1.4	0.3		8.1	66.45	20.90	99.30
Total 1/		3.9	2.0	16.0	3.4	2.9	17.7	21.6	12.7	10.5	9.3	100.0	62.37	2.30	283.70

1/ Total may not add due to rounding.

FIGURE A-1
Weighted Average Hauling Charges
Pacific Northwest Order: May 2012

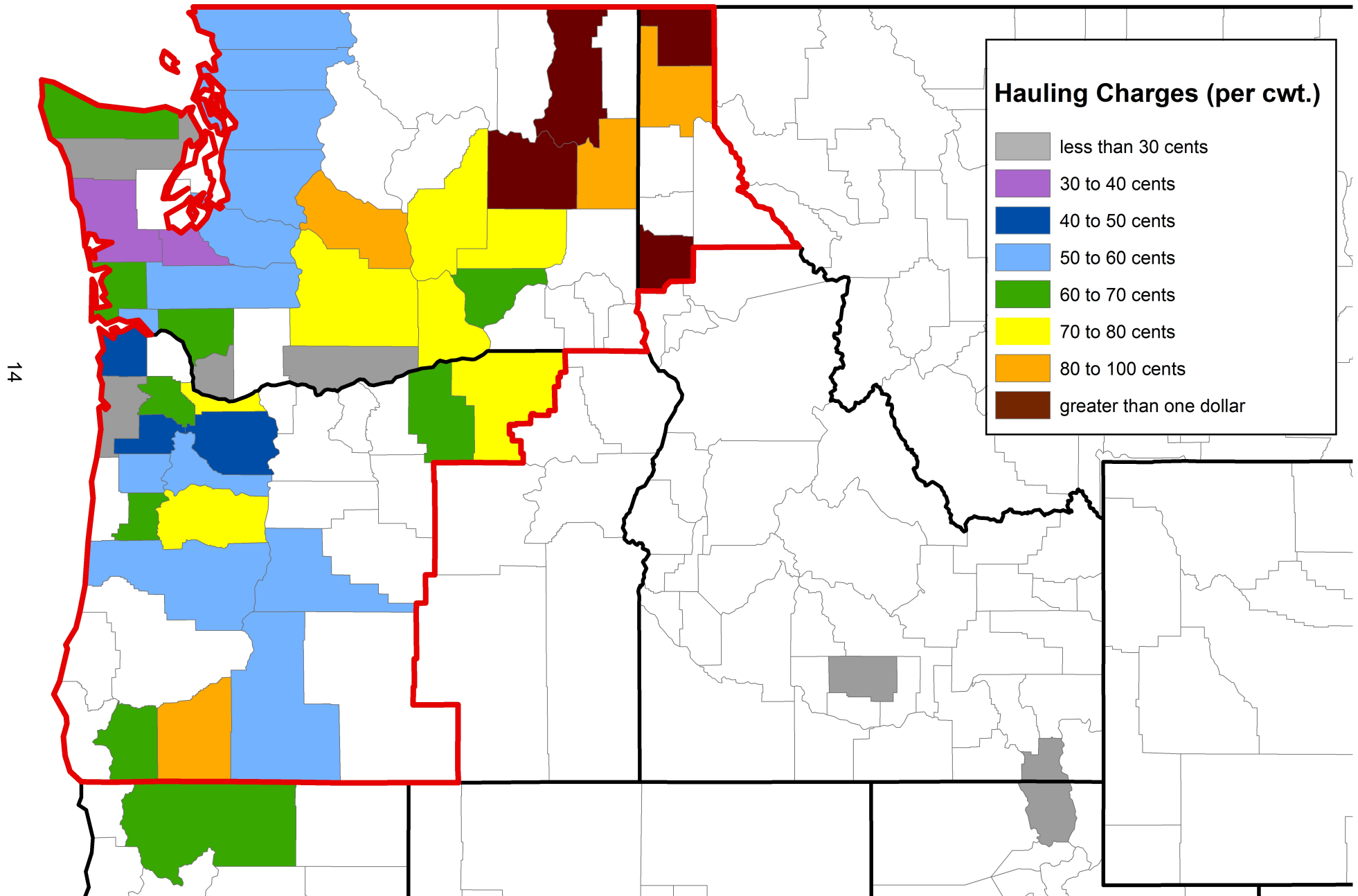


FIGURE A-2
Average Milk Production Per Producer
Pacific Northwest Order: May 2012

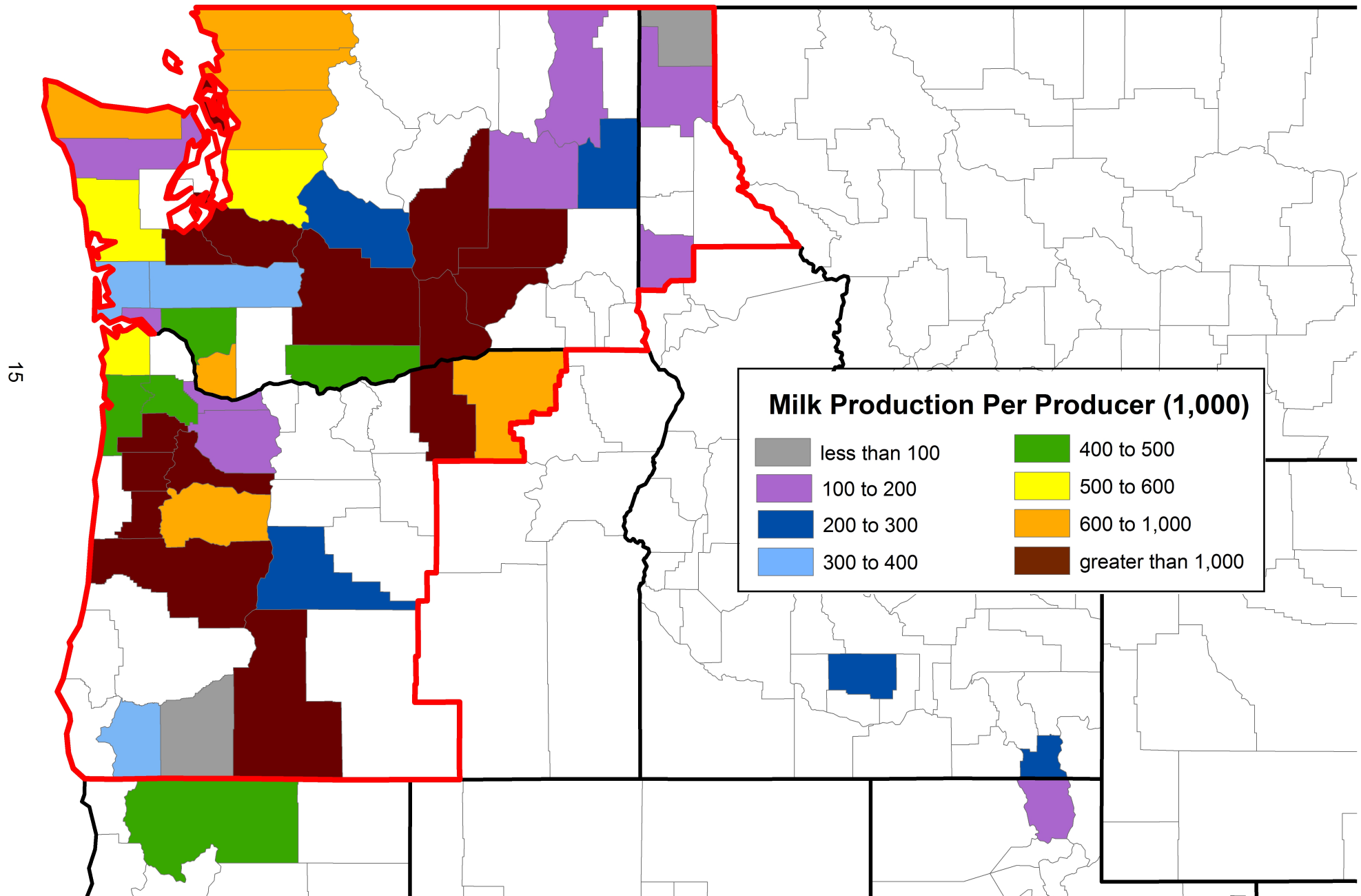


FIGURE A-3
Marketing Area of the Pacific Northwest Order

