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PRODUCER STRUCTURE IN FEDERAL MILK ORDERS, MAY 2001*

During 2001, on the average, handlers regulated under Federal milk orders received milk from slightly more than 66,400 producers (dairy farmers). The volume of these milk receipts, about 120 billion pounds, accounted for 73 percent of all the milk marketed in the United States (U.S.) and 75 percent of total Grade A milk receipts.

Information on the size (volume of milk received per producer) of Federal milk order dairy farmers, along with comparisons to similar data for such farmers in earlier years, will help to show some trends taking place in the structure of U.S. dairy farmers.

Information on milk receipts per producer in May 2001 was obtained from the market administrators of the 11 Federal milk orders. These data were sorted according to the State location of the producer and were arrayed into 10 size groups based on the volume of milk received from the producer. These size groups are different than those used in previous surveys in that they have been adjusted to accommodate the larger volumes of milk marketed by today's dairy farmers. However, the current size groups have been designed to allow comparisons to those used in the previous surveys.

The merger and consolidation of Federal milk orders on January 1, 2000, significantly enlarged the marketing area covered by an order and reduced the number of orders. Consequently, now there are fewer instances of a producer marketing milk on more than one order in a month. Thus, for most States, the information in this report should be representative of the structure of producers marketing fluid grade milk. States for which the information may not be representative are California and Idaho, where the proportion of total producer milk receipts marketed under Federal orders in May 2001 was relatively small.

This report summarizes the major findings of the current survey, and presents comparisons to similar data for previous years. These findings are:

- (1) In May 2001, the average volume of milk receipts per producer was 161,316 pounds, roughly equivalent to the milk production of 101 cows. This average volume of milk was 71 percent larger than the average volume marketed by dairy farmers of 11 years ago, and more than 2.4 times as much as the average for dairy farmers of 21 years ago. (See tables 1 and 4.)
- (2) On a State basis, in May 2001, the average volume of milk receipts per producer ranged from 84,785 pounds in Kentucky, to 2,768,222 pounds in New Mexico. Other States with notably large average milk receipts per producer were Arizona, Florida, Colorado, and Washington. States with notably small averages were Rhode Island, Missouri, Pennsylvania, and Minnesota.

The State with the largest average number of milk cows per farm was New Mexico, which had 1,480 cows; the State with the lowest average was Rhode Island, which had 64 cows. There were 26 States for which the average number of milk cows per farm was larger than the all-order average (101 cows); there were

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18 States where the average was smaller. In one State, the average was the same. (See table 3.)

- (3) For all Federal milk orders combined, the milk receipt size group with the largest number of producers was the 50,000-99,999 pounds size; 34 percent of producers were in this group. The milk receipt size group with the largest volume of milk was the 100,000-249,999 pounds size; nearly 26 percent of total receipts were in this group. Smaller producers, those marketing less than 250,000 pounds of milk, account for 89 percent of all producers, yet only 46 percent of all milk receipts. There were more than 1,400 producers who marketed more than 1,000,000 pounds of milk in May 2001. While these producers accounted for only 2.2 percent of all producers, they marketed 29.3 percent of total milk receipts. There were 75 dairy farmers who marketed more than 5,000,000 pounds of milk during that month. (See table 1.)
- (4) Among individual States, the importance of the various milk receipt size groups can vary greatly. For most States, the smaller producers, those marketing less than 250,000 pounds of milk, dominate. Typical of this group is Louisiana where these groups accounted for 74 percent of milk receipts. For some States, the larger producers, those marketing more than 1,500,000 pounds of milk, dominate. Typical of this group is Colorado where these groups accounted for 59 percent of milk receipts. In some States, such as Oregon the distribution of milk receipt size groups was fairly equal. Producers marketing more than 5,000,000 pounds of milk were reported in 15 States; in Kansas, this size group accounted for nearly 31 percent of milk receipts. (See table 2.)
- (5) The change in the relative importance of the milk receipts size groups over time further illustrates the significant growth in the volume of milk received per producer. In May 1990, there were 70,586 dairy farmers marketing less than 100,000 pounds of milk, slightly more than 73 percent of all producers marketing milk under Federal orders. By May 2001, there were only 40,402 producers marketing this volume of milk, a drop of 30,184, nearly all of the total decrease in producers over this time period. While the number of producers marketing more than 100,000 pounds of milk was virtually the same in the two time periods, the number of producers in the larger size groups grew significantly. In May 2001, the number of producers marketing 250,000 to 600,000 pounds of milk was nearly 50 percent larger than in May 1990. The number of producers marketing more than 600,000 pounds of milk tripled, increasing from 867 to 2,630. This latter group accounted for 11 percent in milk receipts in May 1990, 38 percent in May 2001. (See tables 1 and 4.)

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Table 1—Number of Producers, Producer Receipts, and Average Milk Receipts Per Producer for All Federal Milk Orders Combined, by Milk Receipt Size Group, May 2001

Milk receipt size groups (Pounds) 1/	Producers			Producer Receipts			
	Number	Percent	Cumulative Percent	Thousand Pounds	Percent	Cumulative Percent	Average receipts in pounds
Up to 49,999	17,947	27.2	27.2	515,731	4.8	4.8	28,736
50,000-99,999	22,455	34.0	61.2	1,641,694	15.4	20.3	73,110
100,000-249,999	18,263	27.7	88.9	2,734,535	25.7	45.9	149,731
250,000-399,999	3,249	4.9	93.8	1,009,344	9.5	55.4	310,663
400,000-599,999	1,477	2.2	96.0	715,721	6.7	62.1	484,577
600,000-999,999	1,202	1.8	97.8	915,842	8.6	70.7	761,932
1,000,000-1,499,999	576	0.9	98.7	701,656	6.6	77.3	1,218,152
1,500,000-2,499,999	479	0.7	99.4	919,009	8.6	85.9	1,918,599
2,500,000-4,999,999	298	0.5	99.9	1,006,805	9.5	95.4	3,378,541
5,000,000 or more	75	0.1	100	489,918	4.6	100	6,532,246
Total 2/	66,021	100	---	10,650,255	100	---	161,316

1/ These milk receipt size groups can be converted to approximate herd-size groups by assuming that the U.S. average milk production per cow of 1,592 pounds in May 2001 is representative for these producers. For example, the "up to 49,999" milk receipt size group would convert to a "1-31" herd size group (1-31 cows).

2/ Totals and Cumulative Percents may not add due to rounding.