

# November 2005 Fluid Milk Product Disposition by Container Size and Type 

Fluid milk product distribution (sales) in the Upper Midwest Marketing Area was surveyed for November 2005 with respect to method of distribution and size and type of container. Following is a summary of the results of the survey.
This is the third survey conducted for the Upper Midwest Order since order consolidation and reform in January 2000. The most recent survey was for November 2003, and was reported in the May 2004 Upper Midwest Dairy News. Comparisons will be made between the two surveys.
The survey was divided into three categories: size of container - gallon, half-gallon, etc.; type of container paper, plastic, or glass; and method of distribution wholesale or home delivered.

Wholesale includes all distribution of fluid milk products on routes other than home delivery. This would include sales through convenience stores and supermarkets as well as sales to schools and restaurants.

## Size of Container

In November 2005, gallons accounted for $68 \%$ of the total pounds of fluid milk product distribution, as shown in Figure 1, followed by half-gallons at $16 \%$, half-pints at $10 \%$, and quarts at $2 \%$. The remaining $4 \%$ of fluid milk product distribution was accounted for by all other sizes combined. These results are similar to the November 2003 results, which showed gallons at $67 \%$, half-gallons at $17 \%$, half-pints at $9 \%$, quarts at $3 \%$, and all other sizes at $4 \%$. From November 2003 to November 2005, there was a 1 percentage point increase in distribution of gallons and half-pints, and a 1 percentage point decrease in half-gallons and quarts.

## Type of Container

Paper includes all products sold in wax-coated or plasticcoated paper containers, including foil-lined UHT paper containers.

Plastic includes all products sold in rigid blow-mold or thermo-formed plastic containers, single-serve round (milk bottle shaped) containers, plastic-lined boxes, and plastic pouches.
Historically, plastic containers have been increasing as a percentage of total distribution. In November 2005, plastic containers accounted for $83 \%$ of total distribution, a fractional increase from 2003. Paper and glass accounted for the remaining $17 \%$ of total distribution.


[^0]Figure 2
November 2005 Distribution by Type of Container Witfin Container Size

## Gallon Disposition



Paper
0\%

Half-Gallon Disposition


## All Other Disposition Combined



Distribution of paper and glass were combined in 2005 because of restricted information, as fewer than three handlers distributed milk in glass containers. In November 2003, distribution in glass accounted for $1 \%$ of total distribution.

## Type of Container Within

 Container SizeGallon containers were exclusively sold in plastic in November 2005, no change from 2003. Disposition of half-gallons in plastic containers accounted for $62 \%$ of all half-gallons sold, a 2 percentage point decrease from 2003. Paper and glass accounted for the remaining $38 \%$ of all half-gallons sold. (The only glass container sold was the half-gallon size.)

Distribution of quarts was almost evenly split between paper and plastic, with $52 \%$ sold in plastic and $48 \%$ sold in paper. This represented a 6 percentage point shift towards plastic from 2003. Disposition of pints in plastic containers increased from $92 \%$ in November 2003 to 95\% in 2005, a 3 percentage point increase. Disposition of half-pints also moved towards plastic, increasing from just over $1 \%$ in November 2003 to nearly $6 \%$ in 2005. Paper accounted for the remaing $94 \%$ of half-pint disposition. In November 2003, milk sold in singleserve round containers totaled 3.9 million pounds. In November 2005, that number climbed to 7.8 million pounds, a $100 \%$ increase.

## Method of Distribution

In November 2005, home delivery accounted for $1 \%$ of total route disposition, a slight decrease from 2003. Distribution through wholesale outlets accounted for the remaining $99 \%$.
The volume of route disposition from home delivery in November 2005 was 3.9 million pounds, down from 4.7 million pounds in November 2003.

## Ulpper Midwest Pool Statistics - Marcf 2006

| Market Class I <br> Differential <br> Rate | Pool <br> Plants | Received at <br> Pool Plants | Diverted to <br> Pool and <br> Nonpool Plants |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | ---: | ---: | ---: |

## Computation of Producer Price Differential- Marcf 2006



* An estimated 39 million pounds of milk was not pooled.
** Producer Price Differential is dollars per cwt. at the Base Zone of Cook County, Illinois.


Ulilization and Classification of Milk

|  | March 2006 |  | February 2006 | March 2005 |
| :---: | :---: | :---: | :---: | :---: |
|  | Product Pounds | Butterfat Pounds | Product Pounds | Product Pounds |
| Class I Utilization: |  |  |  |  |
| Packaged Disposition |  |  |  |  |
| Milk | 57,806,154 | 1,861,577 | 51,241,535 | 58,400,275 |
| Flavored Milk | 4,731,160 | 153,257 | 4,299,250 | 4,584,806 |
| Reduced Fat Milk | 148,764,903 | 2,826,851 | 133,436,697 | 141,875,715 |
| Lowfat Milk | 49,516,988 | 474,575 | 44,776,001 | 50,131,102 |
| Fat Free Milk | 93,414,190 | 95,741 | 84,022,638 | 91,586,884 |
| Flavored Reduced and Fat Free Milk | 31,875,117 | 261,614 | 30,541,702 | 29,959,885 |
| Buttermilk | 2,532,255 | 27,249 | 2,138,008 | 2,645,698 |
| Total Packaged Disposition | 388,640,767 | 5,700,864 | 350,455,831 | 379,184,365 |
| Total Ending Inventory | 33,108,674 | 491,305 | 26,486,168 | 31,917,791 |
| Bulk to Nonpool Plants | 1,624,247 | 21,400 | 1,315,069 | 2,543,924 |
| Shrinkage | 2,140,977 | 118,005 | 2,096,960 | 1,967,802 |
| Total Class I Utilization | 425,514,665 | 6,331,574 | 380,354,028 | 415,613,882 |
| Other Order Plants | $(1,955,668)$ | $(39,343)$ | $(1,640,422)$ | $(3,013,655)$ |
| Beginning Inventory | $(26,486,168)$ | $(386,021)$ | $(26,692,502)$ | $(29,973,605)$ |
| Reused Products | 0 | 0 | 0 | 0 |
| Other Source Milk | $(185,439)$ | $(2,800)$ | $(160,350)$ | $(297,687)$ |
| Overage | 0 | 0 | 0 | -- |
| Interhandler Adjustment | $(292,825)$ | $(3,166)$ | $(39,529)$ | $(86,322)$ |
| Class I Producer Milk | 396,594,565 | 5,900,244 | 351,821,225 | 382,242,613 |
| Class II Utilization: |  |  |  |  |
| Total Class II Utilization | 115,318,600 | 9,251,220 | 124,579,490 | 144,655,459 |
| Other Order Plants | $(730,223)$ | $(47,342)$ | -- | $(3,712,170)$ |
| Beginning Inventory | $(4,856,913)$ | $(177,702)$ | $(831,962)$ | $(2,721,614)$ |
| Reused Products | $(9,144,792)$ | $(5,819)$ | $(7,440,451)$ | $(9,128,818)$ |
| Other Source Milk | $(158,056)$ | $(158,056)$ | $(55,631)$ | $(628,963)$ |
| Overage | $(41,009)$ | $(9,435)$ | $(36,987)$ | -- |
| Class II Producer Milk | 100,387,607 | 8,852,866 | 116,214,459 | 128,463,894 |
| Class III Utilization: |  |  |  |  |
| Total Class III Utilization | 1,721,014,577 | 63,648,515 | 1,533,091,948 | 1,523,182,373 |
| Other Order Plants | $(5,151,836)$ | $(135,627)$ | $(6,018,795)$ | $(8,534,377)$ |
| Beginning Inventory | $(3,320,469)$ | $(108,982)$ | $(1,471,457)$ | $(1,595,372)$ |
| Reused Products | 0 | 0 | 0 | 0 |
| Other Source Milk | $(1,627,978)$ | $(29,874)$ | $(1,342,746)$ | $(5,082,948)$ |
| Overage | $(134,635)$ | $(7,084)$ | $(66,355)$ | $(176,161)$ |
| Class III Producer Milk | 1,710,779,659 | 63,366,948 | 1,524,192,595 | 1,507,793,515 |
| Class IV Utilization: |  |  |  |  |
| Total Class IV Utilization | 109,741,987 | 9,415,440 | 108,914,967 | 178,663,106 |
| Other Order Plants | $(4,191,612)$ | $(191,176)$ | $(3,220,387)$ | $(6,801,519)$ |
| Beginning Inventory | $(14,776,440)$ | $(890,347)$ | $(20,503,039)$ | $(16,376,346)$ |
| Reused Products | 0 | 0 | 0 | 0 |
| Other Source Milk | $(27,145,210)$ | $(1,101,896)$ | $(20,431,055)$ | $(7,641,599)$ |
| Overage | $(5,658)$ | (3) | $(35,141)$ | $(6,947)$ |
| Class IV Producer Milk | 63,623,067 | 7,232,018 | 64,725,345 | 147,836,695 |
| Total Producer Milk -- All Classes | 2,271,384,898 | 85,352,076 | 2,056,953,624 | 2,166,336,717 |

[^1]
## Commodity Prices

| Month/Year | Weighted Monthly Average NASS Prices * |  |  |  |  |  | Weighted Two-Week Average NASS Prices * |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Cheddar Cheese |  |  | Butter | Nonfat <br> Dry Milk | Dry Whey | Cheddar Cheese |  |  | Butter | Nonfat <br> Dry Milk | Dry Whey |
|  | Blocks | Barrels | Average |  |  |  | Blocks | Barrels | Average |  |  |  |
|  | Dollars per Pound |  |  |  |  |  | Dollars per Pound |  |  |  |  |  |
| Mar 2005 | 1.5048 | 1.4773 | 1.5061 | 1.5549 | 0.9083 | 0.2513 | 1.5105 | 1.4873 | 1.5140 | 1.5616 | 0.9073 | 0.2485 |
| Apr | 1.5484 | 1.5371 | 1.5590 | 1.5287 | 0.9156 | 0.2580 | 1.5627 | 1.5596 | 1.5777 | 1.5393 | 0.9159 | 0.2596 |
| May | 1.4840 | 1.4406 | 1.4765 | 1.4046 | 0.9289 | 0.2603 | 1.4746 | 1.4211 | 1.4612 | 1.3872 | 0.9287 | 0.2597 |
| Jun | 1.4793 | 1.4592 | 1.4845 | 1.4427 | 0.9259 | 0.2696 | 1.4779 | 1.4574 | 1.4827 | 1.4158 | 0.9289 | 0.2684 |
| Jul | 1.5114 | 1.4889 | 1.5156 | 1.6156 | 0.9389 | 0.2794 | 1.5174 | 1.4963 | 1.5224 | 1.6480 | 0.9377 | 0.2796 |
| Aug | 1.4160 | 1.4171 | 1.4322 | 1.6355 | 0.9601 | 0.2869 | 1.4302 | 1.4305 | 1.4449 | 1.6043 | 0.9594 | 0.2843 |
| Sep | 1.4683 | 1.4878 | 1.4958 | 1.6877 | 0.9705 | 0.2960 | 1.4622 | 1.4935 | 1.4965 | 1.6832 | 0.9726 | 0.2904 |
| Oct | 1.5128 | 1.4572 | 1.4996 | 1.6363 | 0.9794 | 0.3038 | 1.5421 | 1.4697 | 1.5205 | 1.6338 | 0.9719 | 0.3055 |
| Nov | 1.3927 | 1.3701 | 1.3968 | 1.4578 | 0.9835 | 0.3149 | 1.4173 | 1.3947 | 1.4213 | 1.5011 | 0.9834 | 0.3084 |
| Dec | 1.3845 | 1.3772 | 1.3964 | 1.3680 | 0.9899 | 0.3242 | 1.3842 | 1.3802 | 1.3979 | 1.3663 | 1.0018 | 0.3244 |
| Jan 2006 | 1.3826 | 1.3653 | 1.3895 | 1.3387 | 0.9614 | 0.3416 | 1.3830 | 1.3654 | 1.3895 | 1.3459 | 0.9782 | 0.3394 |
| Feb | 1.2632 | 1.2341 | 1.2637 | 1.2374 | 0.8833 | 0.3531 | 1.2958 | 1.2597 | 1.2923 | 1.2623 | 0.9053 | 0.3532 |
| Mar | 1.1561 | 1.1356 | 1.1612 | 1.1647 | 0.8697 | 0.3409 | 1.1654 | 1.1414 | 1.1686 | 1.1746 | 0.8789 | 0.3478 |


| Month/Year | Chicago Mercantile Exchange |  |  | Nonfat Dry Milk (Low/Medium Heat) |  | Whey Powder |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Butter | Cheddar Cheese |  |  |  |  |  |
|  | Grade AA | Blocks | Barrels | Central \& East | West | Central | West |
|  | Dollars per Pound |  |  |  |  |  |  |
| Mar 2005 | 1.5527 | 1.5317 | 1.4931 | 0.9642 | 0.9368 | 0.2488 | 0.2726 |
| Apr | 1.4933 | 1.5413 | 1.4800 | 0.9674 | 0.9377 | 0.2575 | 0.2817 |
| May | 1.4044 | 1.4774 | 1.4224 | 0.9758 | 0.9438 | 0.2611 | 0.2883 |
| Jun | 1.5313 | 1.5065 | 1.4580 | 0.9758 | 0.9410 | 0.2652 | 0.2977 |
| Jul | 1.6210 | 1.5035 | 1.4676 | 0.9804 | 0.9458 | 0.2746 | 0.3066 |
| Aug | 1.6861 | 1.4249 | 1.4186 | 1.0009 | 0.9579 | 0.2858 | 0.3110 |
| Sep | 1.6988 | 1.5639 | 1.4910 | 1.0151 | 0.9675 | 0.2921 | 0.3235 |
| Oct | 1.6204 | 1.4470 | 1.3961 | 1.0334 | 0.9803 | 0.3059 | 0.3202 |
| Nov | 1.4260 | 1.3756 | 1.3341 | 1.0554 | 0.9951 | 0.3233 | 0.3206 |
| Dec | 1.3552 | 1.4224 | 1.3896 | 1.0597 | 0.9717 | 0.3336 | 0.3317 |
| Jan 2006 | 1.3368 | 1.3335 | 1.3009 | 1.0096 | 0.9459 | 0.3482 | 0.3486 |
| Feb | 1.1930 | 1.1989 | 1.1742 | 0.9263 | 0.8809 | 0.3529 | 0.3499 |
| Mar | 1.1663 | 1.1638 | 1.1237 | 0.8788 | 0.8403 | 0.3193 | 0.3380 |

## Market Statistics

$\left.\begin{array}{cccccccccccc} & & & & & \begin{array}{c}\text { Total } \\ \text { Producer } \\ \text { Milk }\end{array} & \begin{array}{c}\text { Est. Average } \\ \text { Daily Delivery } \\ \text { Per Producer }\end{array} & \begin{array}{c}\text { Class I } \\ \text { Utilization }\end{array} & \begin{array}{c}\text { Butterfat } \\ \text { Test }\end{array} & \begin{array}{c}\text { Protein } \\ \text { Test }\end{array} & \begin{array}{c}\text { Other } \\ \text { Solids } \\ \text { Test }\end{array} & \begin{array}{c}\text { Weighted } \\ \text { Average }\end{array} \\ \text { SCCC }\end{array}\right]$

* NASS = National Agricultural Statistics Service, USDA.


## Class Prices



## Producer Prices

|  | Producer <br> Price <br> Differential | Statistical <br> Uniform Price <br> (at 3.50\%) | Butterfat Price | Protein Price | Other Solids <br> Price | SCC <br> Adjustment <br> Rate | Producer <br> Mailbox Price <br> (at test) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\$$ per cwt. | $\$$ per cwt. | $\$$ per lb. | $\$$ per lb. | $\$$ per lb. | $\$$ per cwt. | $\$$ per cwt. |
| Jan 2005 | 0.39 | 14.53 | 1.7330 | 2.5300 | 0.0899 | 0.00076 | 15.66 |
| Feb | $(0.18)$ | 14.52 | 1.7754 | 2.6613 | 0.0915 | 0.00079 | 15.66 |
| Mar | 0.41 | 14.49 | 1.7279 | 2.5019 | 0.0951 | 0.00075 | 15.54 |
| Apr | 0.04 | 14.65 | 1.6964 | 2.7055 | 0.1020 | 0.00078 | 15.45 |
| May | 0.28 | 14.05 | 1.5475 | 2.5965 | 0.1043 | 0.00074 | 14.78 |
| Jun | 0.20 | 14.12 | 1.5932 | 2.5741 | 0.1139 | 0.00074 | 14.55 |
| Jul | 0.34 | 14.69 | 1.8007 | 2.4558 | 0.1240 | 0.00076 | 14.97 |
| Aug | 0.55 | 14.15 | 1.8246 | 2.1619 | 0.1317 | 0.00072 | 14.68 |
| Sep | 0.29 | 14.59 | 1.8872 | 2.3009 | 0.1411 | 0.00075 | 15.42 |
| Oct | 0.24 | 14.59 | 1.8256 | 2.3780 | 0.1491 | 0.00075 | 15.75 |
| Nov | 0.44 | 13.79 | 1.6114 | 2.2724 | 0.1606 | 0.00070 | 15.17 |
| Dec | 0.24 | 13.61 | 1.5036 | 2.3846 | 0.1702 | 0.00070 | 15.08 |
| Jan 2006 | 0.27 | 13.66 | 1.4684 | 2.3994 | 0.1881 | 0.00069 | 14.61 |
| Feb | 0.48 | 12.68 | 1.3469 | 2.1220 | 0.1999 | 0.00063 |  |
| Mar | 0.56 | 11.67 | 1.2596 | 1.8836 | 0.1874 | 0.00058 |  |
|  |  |  |  |  |  |  |  |

## Summary of Federal Order Data - Marcf 2006

| Federal Order Number / Name |  | Producer Deliveries | Class I Producer Receipts | Class I Utilization | Class I Price | Producer Price Differential | Uniform or Statistical Uniform Price at 3.5\% Butterfat |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | FOB <br> Market |  |  |  |  | FOB <br> Cook Cty. Illinois | Change From Previous Year |
| Thousand Pounds -_ |  |  |  | Percent | - Dol | er Cwt. - | Dollars per Cwt. |  |  |
| 1 | Northeast |  | 2,063,895 | 935,323 | 45.3 | \$ 15.74 | \$ 2.32 | \$ 13.43 | \$ 11.98 | \$ (2.61) |
| 5 | Appalachian | 576,087 | 369,135 | 64.1 | 15.59 | n/a | 14.13 | 12.83 | (2.61) |
| 6 | Florida | 299,525 | 241,924 | 80.8 | 16.49 | n/a | 15.41 | 13.21 | (2.74) |
| 7 | Southeast | 762,640 | 412,672 | 54.1 | 15.59 | n/a | 13.77 | 12.47 | (2.86) |
| 30 | Upper Midwest | 2,271,385 | 396,595 | 17.5 | 14.29 | 0.56 | 11.67 | 11.67 | (2.82) |
| 32 | Central | 1,381,214 | 387,114 | 28.0 | 14.49 | 0.89 | 12.00 | 11.80 | (2.73) |
| 33 | Mideast | 1,543,715 | 585,895 | 37.9 | 14.49 | 1.25 | 12.36 | 12.16 | (2.59) |
| 124 | Pacific Northwest | 678,411 | 185,730 | 27.4 | 14.39 | 0.75 | 11.86 | 11.76 | (2.73) |
| 126 | Southwest | 1,002,035 | 365,215 | 36.4 | 15.49 | 1.84 | 12.95 | 11.75 | (2.84) |
| 131 | Arizona-Las Vegas | 288,437 | 94,203 | 32.7 | 14.84 | n/a | 12.21 | 11.66 | (2.65) |
| All M | rket Average or Total * | 10,867,344 | 3,973,804 | 36.6 |  |  |  |  |  |

n/a = Not applicable. * May not add due to rounding.

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[^0]:    * As a percentage of total pounds distributed.

[^1]:    -- Restricted Information

