MILK HAULING CHARGES IN THE UPPER MIDWEST MARKETING AREA MAY 2012



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Corey Freije

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MILK HAULING CHARGES IN THE UPPER MIDWEST MARKETING AREA MAY 2012

Corey Freije¹

Introduction

This study breaks down and categorizes hauling charges based on state, county, and producer size groups for May 2012. The payroll data for producers who were associated with the Upper Midwest Marketing Order were examined. 15,049 dairy producers were associated with the market.

To provide consistency between papers published by this office, four changes in the methodology of this paper were made in 2011. As standard in the other papers published by this office, the data on hauling charges are now aggregated on the farm level. This aggregation results in a lower dairy producer count from the earlier analysis. Another change was to include a weighted average hauling charge by producer and by state. Prior to 2011, the hauling charges were only weighted by state production for the marketing order as a whole. The numbers as previously calculated are included in Table 1 as Comparable Weighted Charges. In order to avoid data that frequently skewed previous analysis, the data presented will be for all counties in the states comprising Federal Order 30 and the Upper Peninsula of Michigan. Lastly, the new size distribution will be consistent on staff papers from Federal Order 30.

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Average Hauling Charge for the Marketing Area for May

| Statistic | 2012 | 2011 |
|---------------------------------------|----------------|----------------|
| Producer Deliveries (pounds) | 3,514,126,358 | 3,447,189,366 |
| Total Hauling Charges (\$) | \$6,093,446.58 | \$5,687,570.80 |
| Weighted average charges (\$/cwt.) | 0.1734 | 0.1650 |
| Comparable Weighted Charges (\$/cwt.) | 0.3328 | 0.3007 |

The hauling charges data received by the Federal Order 30 office often times represents a flat fee charged by the handler. This flat fee structure leads to a decreasing average hauling charge when viewed on a per hundredweight basis. The possibility also exists that the hauling charge relationship for large producers may differ on a handler by handler basis. This relationship may mean the producer pays all charges external to the handler's payroll or may haul his own milk. Previous analysis has indicated that hauling charges are a function of producer pounds, the farm's distance to plants, the farm's distance to population centers, competition among handlers, and the prevalence of dairy farms in the market.

Analysis by Size Group

Table 2 presents the simple average hauling charge, total hauling charges, production, number of farms, producer average monthly delivery and weighted average hauling charges for each of ten size groups. Skewness dominates the results in Table 2, with 51% of the milk produced by 7% of the farmers. In addition these largest categories of farmers pay 33% of the total hauling charges. Chart 2, on page 7, shows the inverse relationship between average pounds of production and average hauling charges for each size category.

| Size | Simple Average Hauling Charge | Total Hauling Charges | Production | Number of Farms | Producer Average Monthly Delivery | Weighted Average Hauling Charges |
|------------------------|--|--------------------------|---------------|--------------------|--|---|
| | (\$/cwt.) | (\$) | (pounds) | | (pounds) | (S) |
| Up to 49,999 | \$0.6018 | \$509,019.44 | 103,827,593 | 3,216 | 32,285 | \$0.4903 |
| 50,000 to 99,999 | \$0.3066 | \$1,001,427.67 | 334,362,257 | 4,550 | 73,486 | \$0.2995 |
| 100,000 to 249,999 | \$0.2349 | \$1,627,945.89 | 707,411,109 | 4,665 | 151,642 | \$0.2301 |
| 250,000 to 399,999 | \$0.1864 | \$559,997.76 | 305,823,155 | 983 | 311,112 | \$0.1831 |
| 400,000 to 599,999 | \$0.1487 | \$413,733.75 | 279,664,956 | 574 | 487,221 | \$0.1479 |
| 600,000 to 999,999 | \$0.1294 | \$435,871.23 | 339,740,289 | 439 | 773,896 | \$0.1283 |
| 1,000,000 to 1,499,999 | \$0.0989 | \$331,016.39 | 334,261,349 | 274 | 1,219,932 | \$0.0990 |
| 1,500,000 to 2,499,999 | \$0.0939 | \$332,103.12 | 348,059,124 | 183 | 1,901,962 | \$0.0954 |
| 2,500,000 to 4,999,999 | \$0.1269 | \$486,830.32 | 393,317,167 | 118 | 3,333,196 | \$0.1238 |
| 5,000,000 or more | \$0.1086 | \$395,501.01 | 367,659,359 | 47 | 7,822,540 | \$0.1076 |
| Total | \$0.3200 | \$6,093,446.58 | 3,514,126,358 | 15,049 | 233,512 | \$0.1734 |

Average Producer Delivery for the Marketing Area for May 2012

Analysis by State

Table 3 presents the simple average hauling charge, total hauling charges, production, number of farms, producer average monthly delivery, and weighted average hauling charges for each state comprising the order. Analyzing hauling charges by state has previously led Federal Order 30 staff to hypothesize that non-scale factors such as distance to plants, and population centers, and competition among handlers along with the predominance of dairying in a market affect hauling charges. These factors have been tested and their relevance supported in earlier papers.

| State | Simple Average Hauling Charge | Total Hauling Charges | Production | Number of Farms | Producer Average Monthly Delivery | Weighted Average Hauling Charges |
|--------------|--|--------------------------|---------------|--------------------|--|---|
| | (\$/cwt.) | (\$) | (pounds) | | (pounds) | (\$) |
| Illinois | \$0.3117 | \$78,335.60 | 54,617,851 | 289 | 188,989 | \$0.1434 |
| lowa | \$0.5391 | \$975,701.59 | 300,801,994 | 1,006 | 299,008 | \$0.3244 |
| Michigan UP | \$0.3833 | \$14,289.12 | 7,394,040 | 32 | 231,064 | \$0.1933 |
| Minnesota | \$0.4074 | \$1,811,258.11 | 756,201,475 | 3,646 | 207,406 | \$0.2395 |
| North Dakota | \$1.1131 | \$124,960.17 | 22,259,816 | 80 | 278,248 | \$0.5614 |
| South Dakota | \$0.6517 | \$495,143.87 | 145,249,390 | 208 | 698,314 | \$0.3409 |
| Wisconsin | \$0.2514 | \$2,593,758.12 | 2,227,601,793 | 9,788 | 227,585 | \$0.1164 |
| Total | \$0.3200 | \$6,093,446.58 | 3,514,126,358 | 15,049 | 233,512 | \$0.1734 |

Average Producer Delivery, by State and for the Marketing Area for May 2012

As Table 3 indicates, North Dakota has the highest average hauling charge with a low number of farms, the longest distance from high demand areas, and less handler competition. Wisconsin in contrast has the lowest average hauling charge with a high number of farms and close proximity to high demand areas. Of interest is how the average pounds in this table don't correlate as well as Table 2 with average hauling charge implying additional factors determine a farmer's hauling charge.

On the following page, Table 4 shows the May diesel fuel price in relation to the May average hauling charge. Additionally the table shows the percentage change from the previous year for both the price of fuel and the average hauling charge. Both levels are above historical averages with the hauling charge showing less fluctuation and a dampened overall increase to the more volatile fuel price. That volatility is evident in the large positive and negative percentage change values in fuel. In contrast the percentage change in the average hauling charge is much smaller. Given the handlers' tendency to subsidize hauling charges, this smaller volatility indicates a strong tendency to resist passing through the increased hauling costs.

| Year | May Fuel Price | % Change from Previous Year | May Average Hauling Charge | % Change from Previous Year |
|------|-------------------|--------------------------------|----------------------------------|--------------------------------|
| | (\$/gallon) | (%) | (\$/cwt) | (%) |
| 2007 | 2.763 | -2.88% | \$0.2500 | 6.43% |
| 2008 | 4.382 | 58.60% | \$0.2774 | 10.96% |
| 2009 | 2.170 | -50.48% | \$0.2984 | 7.57% |
| 2010 | 3.038 | 40.00% | \$0.3029 | 1.51% |
| 2011 | 4.001 | 31.70% | \$0.3007 | -0.73% |
| 2012 | 3.877 | -3.10% | \$0.3328 | 10.68% |

Midwest Fuel Retail Price and Average Hauling Charge²

Chart 1 shows that over 80% of the milk delivered on Federal Order 30 was from Wisconsin and Minnesota, the other states on the order each had less than 10% of the delivered milk. This predominance for Wisconsin and Minnesota indicates that their weighted averages will pull the overall average for the order down relative to North and South Dakota and the Michigan UP. Wisconsin and Minnesota have not only most of the milk production but also have close proximity to the majority of the population centers and processing plants. Chart 2 shows the milk production percentage for each size class and also the percentage of total hauling charges paid by each size class. For the first four size classes the percentage of hauling charges is greater than their percentage of total production. For the latter six classes their percentage of hauling charges is smaller than their percentage of production. The commonly accepted explanation for this distribution of charges is that hauling costs are higher for the smaller farm given the increased number of stops in order to fill out a load. Chart 3, on page 9, builds on Chart 2's distribution to show that the average hauling charge and the average milk production are inversely related.

² Retail fuel prices are for Midwest No. 2 Diesel published by the U.S. Energy Information Administration. <u>http://www.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=emd_epd2d_pte_r20_dpg&f=m</u>. May Average Hauling Charge is the "Comparable Weighted Charges" as shown in Table 1.

Percentage of Milk Deliveries by State

In May 2012, dairy producers from three states delivered the majority of the milk associated with the Upper Midwest Order. The State of Wisconsin producers delivered the most milk of any of the states, by supplying 63.39 percent of the total milk volume associated with the market. Producers from the States of Minnesota and Iowa were second and third in milk volume supplied to the order, respectively.

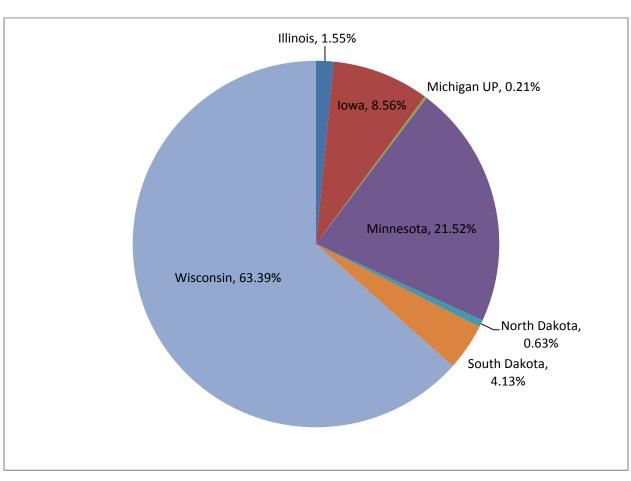
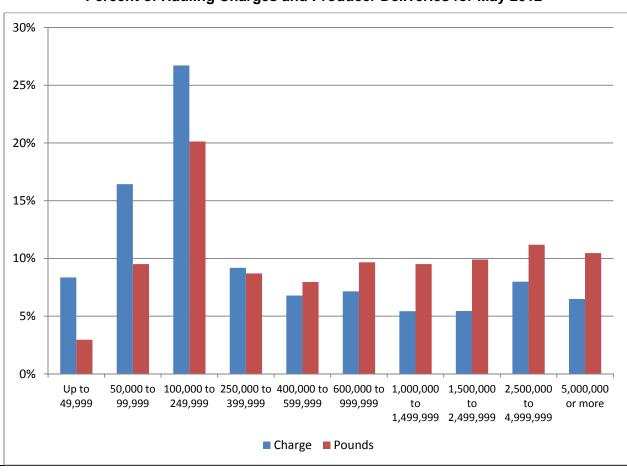


Chart 1

Percent of Delivery Volume by State for May 2012

Percentages do not sum to 100 due to rounding.

Chart 2



Percent of Hauling Charges and Producer Deliveries for May 2012

Average Milk Hauling Charge by Size Range of Producer Delivery

The data shown in Table 5 indicates that there are several other factors that contribute to fluctuating hauling charges. The aforementioned relationship between farm location and distances to competing dairy plant manufacturing operations does not explain all of the variation in average hauling charges. This study found that even though a specific dairy producer may be located a very long distance from the Upper Midwest market's largest fluid milk disposition area, it does not necessarily mean that this producer will pay the market's highest rate per hundredweight for hauling. This study recognizes that other factors exist; including the fact that a dairy producer's herd size or milk volume influences the producer's cost of hauling.

The data in Table 5 breaks down the market's dairy producers into ten producer milk volume categories or size ranges. The data presented in Table 5 show a strong indication that as the producer's milk volume increases, the average hauling charge per hundredweight decreases.

Table 5

| Size | Illinois | lowa | Michigan | Minnesota | North Dakota | South Dakota | Wisconsin | Average |
|------------------------|----------|----------|----------|-----------|-----------------|-----------------|-----------|----------|
| Up to 49,999 | \$0.5688 | \$0.7107 | \$0.7692 | \$0.5647 | \$1.4211 | \$1.0275 | \$0.4216 | \$0.4903 |
| 50,000 to 99,999 | \$0.2637 | \$0.4664 | \$0.4583 | \$0.3973 | \$1.1962 | \$0.7536 | \$0.2368 | \$0.2995 |
| 100,000 to 249,999 | \$0.1768 | \$0.4018 | \$0.2955 | \$0.3068 | \$1.0413 | \$0.6158 | \$0.1683 | \$0.2301 |
| 250,000 to 399,999 | \$0.1069 | \$0.3326 | \$0.2493 | \$0.2284 | \$0.9851 | \$0.6140 | \$0.1250 | \$0.1831 |
| 400,000 to 599,999 | \$0.0923 | \$0.2630 | R | \$0.1810 | R | \$0.5455 | \$0.1029 | \$0.1479 |
| 600,000 to 999,999 | \$0.0366 | \$0.4326 | | \$0.1677 | R | \$0.3765 | \$0.0845 | \$0.1283 |
| 1,000,000 to 1,499,999 | \$0.0239 | \$0.2007 | | \$0.1727 | \$0.5089 | \$0.2025 | \$0.0607 | \$0.0990 |
| 1,500,000 to 2,499,999 | \$0.1126 | \$0.2589 | | \$0.1247 | \$0.1493 | \$0.2279 | \$0.0522 | \$0.0954 |
| 2,500,000 to 4,999,999 | R | \$0.3808 | R | \$0.1846 | R | \$0.2452 | \$0.0490 | \$0.1238 |
| 5,000,000 or more | | \$0.2200 | | \$0.1329 | | \$0.3347 | \$0.0176 | \$0.1076 |
| Average | \$0.1434 | \$0.3244 | \$0.1933 | \$0.2395 | \$0.5614 | \$0.3409 | \$0.1164 | \$0.1734 |

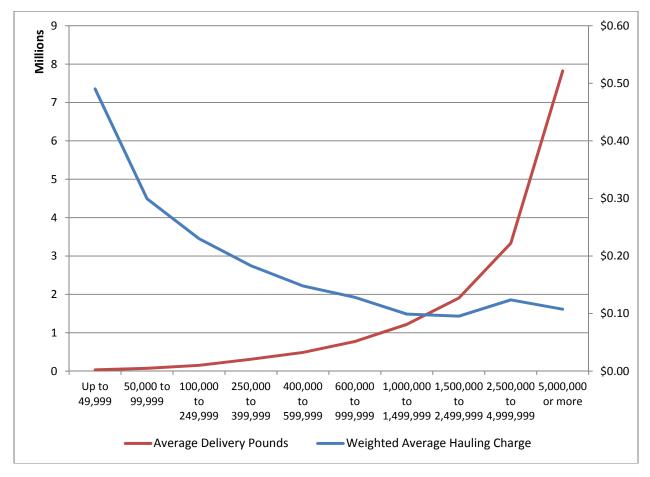
Average Hauling Charge, by Size Range of Monthly Producer Deliveries, by State, for May 2012 (\$ per cwt.)

R = Restricted, fewer than three producers.

The study acknowledges that there are several major factors causing differences in hauling charges between individual producer sizes. The most obvious factor responsible for influencing the producer's hauling rate per hundredweight, by herd size range, is that many Upper Midwest handlers charge a fixed hauling dollar value to dairy producers, regardless of volume of milk the particular producer is marketing. Therefore, as one of these producer's production increases, his or her hauling charge per hundredweight will automatically decrease. This increase/decrease relationship is apparent when examining most of the data shown in Table 5. Further, this study finds that 84.9 percent of the producer milk is procured from the States of Minnesota and Wisconsin. The study also finds that these two states have more small dairy producers. Many of these producers are generally located within the vicinity of multiple milk processors. Therefore, these producers

will apparently pay for shorter hauling distances, and therefore their hauling charges on a per hundredweight basis are going to be less than similar size producers located in other parts of the market's procurement area. The detail in Chart 3 shows the average hauling charge, by size range, for all producer milk associated with the market, for May 2012.

Chart 3



Producer Delivery versus Average Hauling Charges for May 2012

As mentioned above, one factor that contributes to varying hauling rate charges is the dairy producer's location to the market, or those areas possessing strong procurement competition among fluid dairy processors and/or cheese manufacturing plants. This factor is quite noticeable in the milkshed areas found in Minnesota and Wisconsin. The study finds that lower hauling charges in these areas reflect strong procurement competition

accompanied by shorter hauling distances between dairy farm operations and dairy manufacturing plants.

Average Milk Hauling Charge by State and County

In the Appendix, the counties with the highest average hauling charges were mainly located in northern Minnesota and North Dakota. The study acknowledges that many of these counties lack multiple dairy plant operators and/or ample local competition for milk procurement. The dairy producers and plant operations found in these semi-remote areas are geographically more spread-out compared to many dairy producers and plant operations in other counties within the marketing area. The added distance between these farms and plants raises the actual transportation cost for moving their milk to market. As mentioned above, the vast majority of handlers on this market charge producers a flat hauling value regardless of the size or volume of milk being marketed. Therefore, the lower the producer's milk production, the higher his or her average hauling charge on a per hundredweight basis. This study finds that many of these semi-remote counties do in fact lack a couple of these "large dairy farm" operations that would otherwise have decreased the county's average hauling rate considerably. Many of these smaller farms were located in these semi-remote counties possessing lower populations.

Many of the counties that had the lowest average hauling charges are geographically located in close proximity to large Class I fluid markets. Most of the counties with the lowest average hauling charges were found in areas with large numbers of dairy farm operations and/or within close proximity to multiple competing dairy manufacturers. Most of the counties with the lowest average hauling charges had several large dairy farm operations that helped to reduce the county's average hauling rate considerably.

Analysis of Zero Milk Hauling Charge Producers

A small percentage of producers on Federal Order 30 have a zero hauling charge listed in handler's payroll records. Reasons for this lack of deduction include use of waiving the hauling charge as a milk procurement tool, hauling for the producer may be self-funded separate from the handler, or the handler may pay for the hauling via a third party hauler that isn't reflected in the payroll records.

Producers with Zero Hauling Charges by Size Distribution and Production for May 2012

| Size | Production | Number of Farms | Producer Average Monthly Delivery |
|------------------------|-------------|--------------------|--|
| | (pounds) | | (pounds) |
| Up to 49,999 | 3,825,919 | 127 | 30,125 |
| 50,000 to 99,999 | 8,394,558 | 120 | 69,955 |
| 100,000 to 249,999 | 13,784,760 | 91 | 151,481 |
| 250,000 to 399,999 | 5,970,643 | 18 | 331,702 |
| 400,000 to 599,999 | 12,323,017 | 25 | 492,921 |
| 600,000 to 999,999 | 50,074,587 | 61 | 820,895 |
| 1,000,000 to 1,499,999 | 89,855,638 | 73 | 1,230,899 |
| 1,500,000 to 2,499,999 | 122,085,393 | 63 | 1,937,863 |
| 2,500,000 to 4,999,999 | 157,590,074 | 48 | 3,283,127 |
| 5,000,000 or more | 182,396,778 | 24 | 7,599,866 |
| Total | 646,301,367 | 650 | 994,310 |

Table 7

Producers with Zero Hauling Charges by State and Production for May 2012

| State | Production | Number of Farms | Producer Average Monthly Delivery |
|--------------|-------------|--------------------|--|
| | (pounds) | | (pounds) |
| Illinois | 11,141,517 | 13 | 857,040 |
| lowa | 25,191,512 | 10 | 2,519,151 |
| Minnesota | 36,458,013 | 100 | 364,580 |
| North Dakota | 2,255,459 | 2 | 1,127,730 |
| Wisconsin | 571,254,866 | 525 | 1,088,105 |
| Total | 646,301,367 | 650 | 994,310 |

Tables 6 and 7 indicate that the producers with zero hauling charges are spread among all the size categories with more producers not paying hauling in the more plentiful small size categories. The tables also indicate that more farms are charged no hauling in states with more dairy farms such as in Minnesota and Wisconsin. The overall average producer delivery for zero hauling charge producers greatly exceeds that of the larger dataset as shown in Table 3.

Summary

The average hauling distance to the point of delivery is normally highest in perimeter, remote and/or isolated counties. In many instances, the added cost required for hauling milk in these areas combined with a lack of competition among milk procuring handlers, results in an increase in the average hauling charges. On the other hand, counties with the lowest average hauling charges tend to be located in areas with relatively high concentrations of dairy farm operations combined with an adequate supply of milk procuring handlers.

This study revealed that a majority of handlers participating in the Upper Midwest Marketing Area charge their producers a flat hauling value regardless of the producer's size or volume of milk being marketed. In each of these cases, where the handler charges a flat rate, the hauling charge per hundredweight declines as the producer's milk volume increases. A specific county's average hauling cost can be greatly influenced by the county's composition of farm sizes.

Weighted average hauling charges are lowest for larger producers in states with a high concentration of processors and population centers. Hauling charges are highest for small producers at increased distances to processors and the effect is amplified if the concentration of farms is lower. These effects lead to larger charges for farmers in the Dakotas and the U.P. of Michigan and distant counties in Minnesota and Wisconsin. Lastly the weighted average hauling charge for Federal Order 30 shows handlers pass on little of the recent changes in fuel costs to farmers.

| State | County | Simple Average Hauling Charge (Dollars | Weighted Average Hauling Charge Per Cwt.) |
|----------|---|---|--|
| Illinois | Boone Carroll Champaign De Kalb Grundy Iroquois Jo Daviess Kane Kankakee Lake Lee McHenry McLean Ogle Pike Rock Island Stephenson Washington Whiteside Will Winnebago | \$0.28 \$0.26 R \$0.20 R \$0.24 \$0.18 R R \$0.20 R \$0.20 R \$0.29 R \$0.29 R \$0.09 \$0.17 R \$0.82 \$1.06 \$0.21 | \$0.11 \$0.33 R \$0.09 R R \$0.13 \$0.14 R R \$0.14 R \$0.11 R \$0.11 R \$0.15 R \$0.05 \$0.08 R \$0.51 \$0.82 \$0.16 |
| lowa | Allamakee Appanoose Benton Boone Bremer Buchanan Butler Carroll Cedar Cerro Gordo Cherokee Chickasaw Clarke Clay Clayton Clinton Crawford Davis Decatur | \$0.44 R \$0.51 R \$0.65 \$0.67 \$0.88 R \$0.42 R \$0.42 R \$0.70 \$0.38 R R \$0.45 \$0.66 R \$0.55 R | \$0.13 R \$0.35 R \$0.77 \$0.44 \$0.95 R \$0.16 R \$0.64 \$0.14 R \$0.31 \$0.42 R \$0.54 R |

| State | County | Simple Average Hauling Charge (Dollars | Weighted Average Hauling Charge Per Cwt.) |
|---------------------------|--|--|--|
| State Iowa (continued) | County Delaware Des Moines Dickinson Dubuque Emmet Fayette Floyd Franklin Grundy Hancock Hardin Henry Howard Humboldt Ida Iowa Jackson Jasper Jefferson Johnson Jones Keokuk Kossuth Lee Linn Louisa Lucas Lyon Mahaska Marion Marshall Mitchell | Hauling Charge | Hauling Charge |
| | Mitchell Monroe Muscatine O'Brien Osceola Palo Alto Plymouth Pocahontas Polk Poweshiek Ringgold | \$0.37 \$0.68 \$1.31 \$0.63 \$0.59 \$0.88 \$0.53 \$1.02 R \$0.59 R | \$0.35 \$0.05 \$1.18 \$0.08 \$0.79 \$0.87 \$0.32 \$1.03 R \$0.45 R |

| State | County | Simple Average Hauling Charge (Dollars | Weighted Average Hauling Charge Per Cwt.) |
|------------------|---|---|--|
| lowa (continued) | Sac Scott Sioux Story Tama Union Van Buren Wapello Warren Washington Wayne Webster Winnebago Winneshiek Woodbury Worth | \$0.78 \$0.84 \$0.40 \$1.03 \$1.23 R \$0.44 R \$0.29 \$0.38 \$0.69 R R \$0.30 R \$1.35 | \$0.70 \$0.85 \$0.23 \$1.52 \$1.10 R \$0.26 R \$0.23 \$0.29 \$0.54 R R \$0.18 R \$0.18 R \$1.35 |
| Michigan | Delta Dickinson Menominee | \$0.38 R \$0.39 | \$0.32 R \$0.19 |
| Minnesota | Aitkin Anoka Becker Beltrami Benton Big Stone Blue Earth Brown Carlton Carver Cass Chippewa Chisago Clay Clearwater Cottonwood Crow Wing Dakota Dodge Douglas Faribault | | |

| State | County | Simple Average Hauling Charge (Dollars | Weighted Average Hauling Charge Per Cwt.) |
|----------------|----------------|--|---|
| Minnesota (cor | ntinued) | | |
| | Fillmore | \$0.39 | \$0.30 |
| | Freeborn | \$0.34 | \$0.21 |
| | Goodhue | \$0.38 | \$0.28 |
| | Grant | \$0.31 | \$0.10 |
| | Hennepin | \$0.33 | \$0.29 |
| | Houston | \$0.43 | \$0.31 |
| | Hubbard | \$0.55 | \$0.37 |
| | Isanti | \$0.46 | \$0.11 |
| | Itasca | \$2.21 | \$1.84 |
| | Jackson | \$0.54 | \$0.50 |
| | Kanabec | \$0.44 | \$0.21 |
| | Kandiyohi | \$0.43 | \$0.19 |
| | Koochiching | \$0.48 | \$0.43 |
| | Lac Qui Parle | \$0.31 | \$0.18 |
| | Le Sueur | \$0.59 | \$0.31 |
| | Lincoln | \$0.39 | \$0.33 |
| | Lyon | \$0.54 | \$0.53 |
| | Mahnomen | \$0.35 | \$0.14 |
| | Marshall | \$0.70 | \$0.49 |
| | Martin | \$0.58 | \$0.58 |
| | McLeod | \$0.50 | \$0.26 |
| | Meeker | \$0.34 | \$0.14 |
| | Mille Lacs | \$0.46 | \$0.33 |
| | Morrison | \$0.37 | \$0.19 |
| | Mower | \$0.34 | \$0.17 |
| | Murray | \$0.41 | \$0.24 |
| | Nicollet | \$0.44 | \$0.33 |
| | Nobles | \$0.47 | \$0.40 |
| | Norman | \$0.93 | \$0.18 |
| | Olmsted | \$0.34 | \$0.22 |
| | Otter Tail | \$0.47 | \$0.32 |
| | Pennington | \$3.40 | \$0.62 |
| | Pine | \$0.33 \$0.44 | \$0.19 \$0.46 |
| | Pipestone | \$0.44 \$1.03 | \$0.46 \$0.42 |
| | Polk | \$0.36 | \$0.42 \$0.20 |
| | Pope Ramsey | \$0.36 R | \$0.20 R |
| | Red Lake | \$0.15 | \$0.12 |
| | Redwood | \$0.43 | \$0.12 \$0.33 |
| | Renville | \$0.34 | \$0.33 \$0.14 |
| | Rice | \$0.55 | \$0.14 |
| | NUC | ψ0.00 | ψ0.40 |

| State | County | Simple Average Hauling Charge (Dollars | Weighted Average Hauling Charge S Per Cwt.) |
|------------------|-----------------|--|---|
| Minnesota (conti | nued) | | |
| (| Rock | \$0.41 | \$0.16 |
| | Roseau | \$0.72 | \$0.44 |
| | Scott | \$0.39 | \$0.31 |
| | Sherburne | \$0.40 | \$0.29 |
| | Sibley | \$0.47 | \$0.28 |
| | St. Louis | \$0.36 | \$0.23 |
| | Stearns | \$0.33 | \$0.21 |
| | Steele | \$0.46 | \$0.31 |
| | Stevens | \$0.28 | \$0.14 |
| | Swift | \$0.37 | \$0.05 |
| | Todd | \$0.44 | \$0.26 |
| | Traverse | R | R |
| | Wabasha | \$0.30 | \$0.15 |
| | Wadena | \$0.41 | \$0.36 |
| | Waseca | \$0.45 | \$0.43 |
| | Washington | \$0.34 | \$0.27 |
| | Watonwan | \$0.38 | \$0.34 |
| | Wilkin | R | R |
| | Winona | \$0.26 | \$0.21 |
| | Wright | \$0.39 | \$0.21 |
| | Yellow Medicine | \$0.62 | \$0.40 |
| North Dakota | Barnes | \$1.15 | \$0.16 |
| | Burleigh | R | R |
| | Cass | R | R |
| | Dickey | R | R |
| | Dunn | R | R |
| | Emmons | \$0.92 | \$0.90 |
| | Foster | R | R |
| | Grand Forks | R | R |
| | Grant | \$1.41 | \$1.32 |
| | Hettinger | R | R |
| | Kidder | R | R |
| | La Moure | \$1.18 | \$1.17 |
| | Logan | \$0.89 | \$0.88 |
| | McHenry | R | R |
| | McIntosh | \$1.17 | \$0.78 |
| | McLean | R | R |
| | Morton | \$1.21 | \$1.02 |
| | Nelson | R | R |
| | Pierce | R | R |
| | | | |

| State | County | Simple Average Hauling Charge (Dollars | Weighted Average Hauling Charge s Per Cwt.) |
|------------------|---|--|--|
| North Dakota (co | ntinued) Ransom Richland Sargent Stark Stutsman Walsh | R R \$1.26 \$1.07 R | R R \$0.99 \$0.83 R |
| South Dakota | Beadle Bon Homme Brookings Brown Campbell Charles Mix Clark Codington Davison Day Deuel Dewey Edmunds Faulk Grant Hamlin Hand Hanson Hutchinson Kingsbury Lake Lincoln Marshall McCook McPherson Miner Minnehaha Moody Potter Roberts Sanborn Spink Turner Union | \$1.60 \$1.15 \$0.54 \$0.97 \$0.78 R R \$0.55 R \$0.77 \$0.54 R \$0.72 \$0.37 \$0.50 R R \$0.95 \$0.47 \$0.95 \$0.47 \$0.95 \$0.47 \$0.50 R \$0.65 R \$0.65 R \$0.51 \$0.47 \$0.51 \$0.47 R \$0.51 \$0.47 R \$0.51 \$0.72 \$0.50 R \$0.75 R \$0.75 R \$0.75 R \$0.75 R \$0.75 R \$0.75 R \$0.72 \$0.70 | \$0.78 \$0.89 \$0.26 \$0.89 \$0.56 R R \$0.31 R \$0.38 \$0.23 R \$0.59 \$0.76 \$0.14 \$0.24 R \$0.91 \$0.24 R \$0.91 \$0.42 \$0.31 \$0.51 R \$0.90 R R \$0.90 R R \$0.57 \$0.39 R |

| State | County | Simple Average Hauling Charge | Weighted Averag Hauling Charge | |
|------------------|-------------|----------------------------------|-----------------------------------|--|
| | | (Dollars | (Dollars Per Cwt.) | |
| South Dakota (co | ontinued) | | | |
| | Yankton | R | R | |
| Wisconsin | Adams | \$0.59 | \$0.04 | |
| | Ashland | \$0.40 | \$0.07 | |
| | Barron | \$0.31 | \$0.16 | |
| | Bayfield | \$0.33 | \$0.19 | |
| | Brown | \$0.24 | \$0.10 | |
| | Buffalo | \$0.25 | \$0.10 | |
| | Burnett | \$0.22 | \$0.09 | |
| | Calumet | \$0.27 | \$0.10 | |
| | Chippewa | \$0.30 | \$0.14 | |
| | Clark | \$0.15 | \$0.09 | |
| | Columbia | \$0.31 | \$0.12 | |
| | Crawford | \$0.46 | \$0.25 | |
| | | \$0.20 | \$0.08 | |
| | Dane | \$0.20 \$0.27 | \$0.08 \$0.10 | |
| | Dodge | | - | |
| | Door | \$0.28 | \$0.29 | |
| | Douglas | \$0.89 | \$0.45 | |
| | Dunn | \$0.31 | \$0.12 | |
| | Eau Claire | \$0.28 | \$0.14 | |
| | Florence | \$0.20 | \$0.02 | |
| | Fond du Lac | \$0.23 | \$0.06 | |
| | Forest | \$0.47 | \$0.40 | |
| | Grant | \$0.29 | \$0.20 | |
| | Green | \$0.19 | \$0.10 | |
| | Green Lake | \$0.25 | \$0.13 | |
| | Iowa | \$0.20 | \$0.12 | |
| | Iron | \$0.15 | \$0.13 | |
| | Jackson | \$0.22 | \$0.09 | |
| | Jefferson | \$0.29 | \$0.14 | |
| | Juneau | \$0.23 | \$0.07 | |
| | Kenosha | \$0.30 | \$0.14 | |
| | Kewaunee | \$0.26 | \$0.13 | |
| | La Crosse | \$0.28 | \$0.17 | |
| | Lafayette | \$0.22 | \$0.20 | |
| | Langlade | \$0.22 | \$0.06 | |
| | Lincoln | \$0.22 \$0.17 | \$0.08 \$0.08 | |
| | | | - | |
| | Manitowoc | \$0.25 \$0.45 | \$0.14 | |
| | Marathon | \$0.15 | \$0.06 | |
| | Marinette | \$0.25 | \$0.17 | |
| | Marquette | \$0.43 | \$0.28 | |
| | Milwaukee | \$0.13 | \$0.15 | |

Upper Midwest Order Reported Payroll Average Hauling Charge, by State and County for May 2012

| County | Simple Average Hauling Charge | Weighted Average Hauling Charge |
|-----------|--|---|
| • | | s Per Cwt.) |
| n | | |
| | \$ 2,22 | \$ 0.44 |
| | - | \$0.14 |
| | - | \$0.13 |
| | | R |
| | - | \$0.12 |
| | - | \$0.07 |
| | | \$0.09 |
| | | \$0.20 |
| | | \$0.12 |
| Portage | | \$0.12 |
| Price | \$0.42 | \$0.08 |
| Racine | \$0.30 | \$0.11 |
| Richland | \$0.35 | \$0.15 |
| Rock | \$0.26 | \$0.07 |
| Rusk | \$0.38 | \$0.21 |
| Sauk | \$0.26 | \$0.12 |
| Sawyer | \$0.32 | \$0.09 |
| Shawano | \$0.24 | \$0.16 |
| Sheboygan | \$0.17 | \$0.10 |
| St. Croix | \$0.28 | \$0.12 |
| Taylor | | \$0.10 |
| | - | \$0.10 |
| Vernon | \$0.34 | \$0.18 |
| Walworth | - | \$0.09 |
| Washburn | - | \$0.11 |
| | - | \$0.09 |
| | | \$0.18 |
| | | \$0.11 |
| | | \$0.16 |
| | | \$0.09 |
| - | | \$0.09 |
| | Racine Richland Rock Rusk Sauk Sawyer Shawano Sheboygan St. Croix Taylor Trempealeau Vernon | CountyHauling Charge (Dollarsnued)Monroe\$0.30Oconto\$0.33OneidaROutagamie\$0.27Ozaukee\$0.16Pepin\$0.28Pierce\$0.31Polk\$0.30Portage\$0.20Price\$0.42Racine\$0.30Richland\$0.35Rock\$0.26Rusk\$0.38Sauk\$0.26Sawyer\$0.32Shawano\$0.24Sheboygan\$0.17St. Croix\$0.28Taylor\$0.21Trempealeau\$0.31Vernon\$0.34Walworth\$0.30Washburn\$0.52Washington\$0.19Waukesha\$0.38Waupaca\$0.22Waushara\$0.30Winnebago\$0.27 |

R = Restricted data, counties with fewer than 3 producers delivering to the market.