

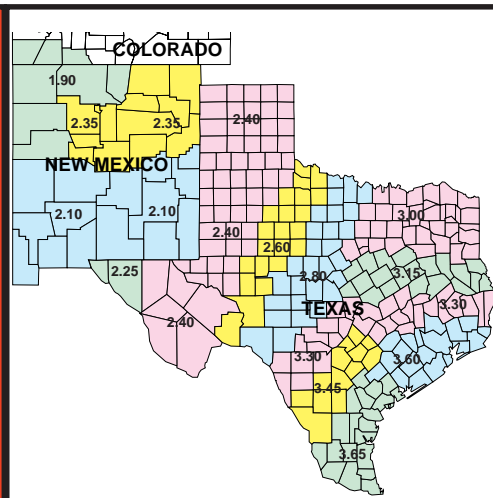
## THE MARKET ADMINISTRATOR'S

# REPORT



### SOUTHWEST MARKETING AREA

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### MARKET SUMMARY FOR MARCH

The Producer Price Differential (P.P.D.) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$2.36 for March. Butterfat price increased \$0.0603 per pound from \$.9588 in February to the level of \$1.0191 for March. Protein price decreased .0683 cents per pound to \$1.9166 in March from \$1.9849 in February. March's Other Solids price decreased \$0.0008 per pound from the previous month to \$0.0424. The Somatic Cell Count adjustment rate factor remained the same in March as it was in February at .00055 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a statistical blend price \$11.90 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of 8 cents in comparison to the statistical blend price of \$11.82 in February.

The March Class I price increased 13 cents from \$13.71 in February to the March level of \$13.84. The Class II price for March of \$11.71 per hundredweight increased 20 cents from \$11.51 in February. March's Class III price remained at \$9.54 in March the same as in February. The Class IV price increased 20 cents from the previous month to \$11.00.

Producers delivered a total of 820,957,744 pounds of milk during March. On a daily basis this represents a decrease of 2.79 percent from the producer receipts level in February and it represents a decrease of 1.90 percent when compared to the producer receipts level of March 1999.

Producer milk classified as Class I during March amounted to 42.09 percent of total producer receipts. This figure is up from 40.64 percent in February and it is up from 40.27 percent in March 1999. The average

butterfat test of producer milk pooled during March was 3.611 percent, average protein test was 3.051 percent, average other solids test was 5.703 percent and the average somatic cell count was 287,000.

### HEARING HELD TO RECONSIDER CLASS III & IV MILK PRICING FORMULAS

Notice is hereby given of a public hearing to be held at the Embassy Suites Hotel (703/684-5900) in Alexandria, Virginia, beginning at 8:00 a.m., on Monday May 8, 2000, with respect to proposed amendments to the tentative marketing agreements and to the orders regulating and handling of milk in the Southwest and other marketing areas.

The purpose of the hearing is to receive evidence with respect to the economic and marketing conditions which relate to the reconsideration of the Class III and Class IV milk pricing formulas included in the final rule for the consolidation and reform of Federal milk orders. The mandate from Congress via the Consolidated Appropriations Act, 2000 requires the Secretary of Agriculture to conduct a formal rulemaking proceeding to reconsider the Class III and Class IV milk pricing formulas included in the final rule and to implement any changes on January 1, 2001.

To ensure a comprehensive consideration of these pricing formulas, the Department invited all interested parties to submit proposals. Thirty two proposals (and any appropriate modifications thereof) will be heard. The legislation requiring the hearing describes the proceeding as an emergency. An emergency rulemaking proceeding omits a recommended decision with the opportunity to file comments thereon.

### TEXAS GRADE A MARKETINGS BY FARM SIZE

The table located below reflects the number of producers and milk pounds by farm size groupings in Texas for January 1990 and 2000. The size groupings show the changes that have occurred in the average size of Texas dairy farms over the last ten years.

The small dairy farm, with less than 100,000 pounds of milk per month decreased in the amount of milk marketed. In January 1990, 9.14 percent of total Texas milk marketings came from these smaller farms, which represented 32.18 percent of the total number of producers. During January 2000, the amount of milk marketed in this range declined to 2.96 percent of the total Texas milk marketings, and these farms represented just 22.51 percent of the total number of producers.

Farms that marketed between 100,000 to 249,999 pounds of milk during the selected month had the largest decrease in the percent of milk marketed. In January 1990 this group represented 31.51 percent of all milk marketed. Milk marketings from this size group fell to 12.05 percent in January 2000. This size group represented 42.66 percent of the total producers in Texas during January 1990, as compared to 32.21 percent for the same month in 2000.

The farm size range of 250,000 to 499,999 pounds

also decreased in percentage of total milk marketed, from 26.78 percent in January 1990 to 15.48 percent in January 2000. This size group represented 17.22 percent of the total producers in Texas during January 1990, as compared to 20.08 percent for the same month in 2000.

Dairy farms with monthly milk marketings of between 500,000 and 999,999 pounds showed an increase. In January 1990, farms in this size range marketed 18.56 percent of total Texas milk marketings. In January 2000, marketings from this size group represented 22.85 percent of the state total.

Large dairy farms with monthly milk marketings over 1,000,000 pounds showed the largest increase in percentage of milk marketed. In January 1990, this group marketed 14.01 percent of the state total, while in January 2000 this figure increased to 46.66 percent, almost half of the total milk marketed by Texas producers came from 10.30 percent of its producers.

Overall, the total number of Texas producers declined nearly 46.68 percent from 2,166 producers in January 1990 to 1,155 producers in January 2000. Texas milk marketings, however, have increased 11.14 percent from 471.1 million pounds in January 1990 to 523.6 million pounds in January 2000. The average marketings per farm increased from 217,504 pounds in 1990 to 453,337 pounds in 2000, an increase of 108.42 percent.

### TEXAS GRADE A MARKETINGS BY SIZE RANGES JANUARY 1990 AND JANUARY 2000

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk		Percent of Total Producers	
	1990	2000	1990	2000	1990	2000	1990	2000
0-49,999	219	83	7,234,550	2,408,427	1.54	.46	10.11	7.19
50,000-99,999	478	177	35,903,474	13,143,467	7.60	2.50	22.07	15.32
100,000-149,999	412	149	50,757,609	18,886,778	10.77	3.61	19.02	12.90
150,000-199,999	324	120	55,904,194	20,942,934	11.87	4.00	14.96	10.39
200,000-249,999	188	103	41,779,054	23,235,934	8.87	4.44	8.68	8.92
250,000-299,999	146	66	40,209,971	18,218,387	8.54	3.48	6.74	5.71
300,000-349,999	86	66	27,650,633	21,306,229	5.87	4.07	3.97	5.71
350,000-399,999	59	42	22,075,465	15,691,918	4.69	3.00	2.72	3.64
400,000-449,999	52	34	22,094,944	14,382,886	4.69	2.75	2.40	2.94
450,000-499,999	30	24	14,101,081	11,440,067	2.99	2.18	1.39	2.08
500,000-599,999	47	57	25,520,762	31,288,383	5.42	5.98	2.17	4.94
600,000-699,999	38	40	24,364,099	25,811,235	5.17	4.93	1.75	3.46
700,000-799,999	20	29	14,990,339	21,712,267	3.18	4.15	.92	2.51
800,000-899,999	11	30	9,371,044	25,628,752	1.99	4.89	.51	2.60
900,000-999,999	14	16	13,169,406	15,197,255	2.80	2.90	.65	1.39
OVER-1,000,000	42	119	65,986,479	244,309,232	14.01	46.66	1.94	10.30
<b>TOTAL</b>	2,166	1,155	471,113,104	523,604,151	100	100	100	100

**TOP TEN TEXAS COUNTIES a/ – MARCH 2000**

County	Number of Producers	Pounds	% Change From 1999b/	County	Number of Producers	Pounds	% Change From 1999b/
1. Erath	148	150,374,246	+6.00	7. Johnson	36	17,741,858	-7.3
2. Hopkins	212	60,148,081	+1.88	8. Hamilton	20	16,563,245	-17.30
3. Comanche	47	51,255,184	+19.22	9. Van Zandt	22	11,697,039	+6.3
4. Archer	58	25,715,589	+14.14	10. Cherokee	24	11,280,405	-6.46
5. El Paso	8	24,788,625	-3.65	Ten County Total	634	387,691,628	+3.66 b/
6. Wood	59	18,127,356	-10.65	Other Counties Total	500	183,956,961	+2.22
				<b>Texas Total</b>	<b>1,134</b>	<b>571,648,589</b>	<b>+3.19</b>

a/ Includes all known Grade "A" milk produced on farms located in Texas.  
 b/ Compared to top ten counties for the month in the previous year.

**Class Prices at 3.5%, for Federal Orders 126 Formula Prices and Price Quotations**

Month	Class Prices & P.P.D.					Component Prices			NASS Product Prices				
	I	II	III	IV	P.P.D.	BF	Other Solids	True Protein	SCC <sup>c/</sup> Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
January 1999	20.00	17.14	16.27	13.12		158.71	7.92	329.28	.00086	141.54	172.25	106.37	21.37
February	20.50	17.64	10.27	12.78		144.44	5.44	200.06	.00065	129.84	129.25	103.59	18.97
March	19.43	16.57	11.62	12.36		144.87	5.65	204.28	.00065	130.19	130.64	101.69	19.17
April	13.43	10.57	11.81	11.06		110.00	4.91	251.04	.00066	101.60	131.26	100.71	18.45
May	14.78	11.92	11.26	11.62		117.57	3.81	219.84	.00062	107.81	124.99	100.69	17.39
June	14.97	12.11	11.42	13.29		164.26	3.52	169.92	.00064	146.09	127.86	100.46	17.11
July	14.42	11.56	13.59	12.37		154.30	3.66	244.31	.00073	137.93	145.83	100.54	17.24
August	14.58	11.72	15.79	12.62		152.96	4.55	334.21	.00086	136.83	171.54	100.89	18.10
September	16.75	13.89	16.26	12.37		147.71	5.39	338.53	.00085	132.52	170.84	101.74	18.92
October	18.95	16.09	11.49	11.78		123.57	5.93	261.38	.00070	112.73	139.34	101.83	19.44
November	19.42	16.56	9.79	11.57		115.82	5.65	206.96	.00060	106.37	120.58	101.68	19.17
December	14.65	11.79	9.63	10.69		98.04	5.39	206.15	.00057	91.79	113.71	101.11	18.92
Averages 1999b/	16.82	13.96	12.43	12.14		136.02	5.15	247.16	.00070	122.94	139.84	101.78	18.69
January	13.90	11.43	10.05	10.73	1.96	93.66	5.03	216.77	.00058	88.20	115.17	101.15	18.57
February	13.71	11.51	9.54	10.80	2.28	95.88	4.32	198.49	.00055	90.02	110.67	101.06	17.88
March	13.84	11.71	9.54	11.00	2.36	101.91	4.24	191.66	.00055	94.97	110.93	100.94	17.80

a/ Subject to zone and location adjustments. b/ Simple averages c/ SCC adjustment rate is per 1,000 difference.

**TOP NEW MEXICO COUNTIES a/ – MARCH 2000**

County	Number of Producers	Pounds	% Change From 1999b/	County	Number of Producers	Pounds	% Change From 1999b/
1. Chaves	41	155,835,322	+9.67	7. Socorro	7	10,734,763	+8.08
2. Dona Ana	25	75,686,067	+10.80	8. Bernalillo	8	10,713,796	-2.03
3. Roosevelt	32	58,360,269	+12.90	9. Valencia	10	10,109,975	+4.34
4. Curry	12	57,752,718	+15.04				
5. Lea	13	38,135,538	+15.45	Nine County Total	154	443,709,642	+10.69
6. Eddy	6	26,381,194	+5.72	Other Counties Total	4	6,010,659	+1.18
				<b>New Mexico Total</b>	<b>158</b>	<b>449,720,301</b>	<b>+10.55</b>

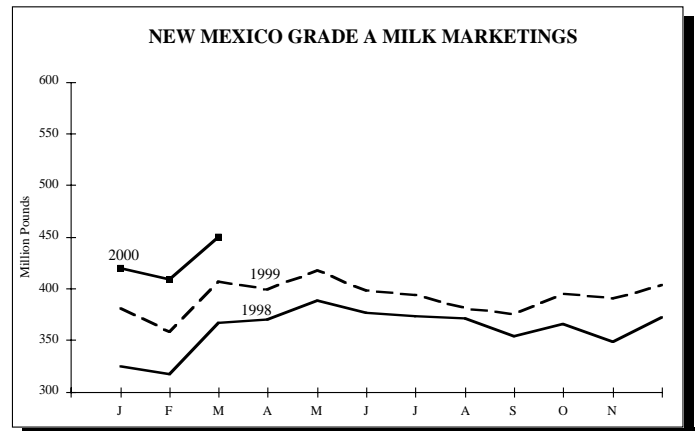
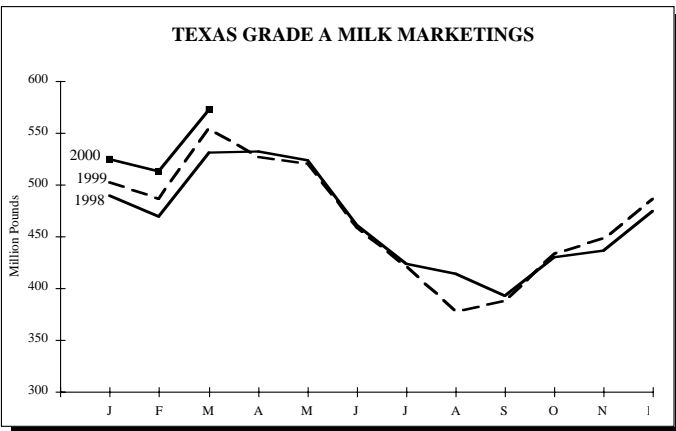
a/ All known Grade "A" milk produced on farms located in New Mexico.  
 b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 1998 THROUGH MARCH 2000, WITH PERCENTAGE COMPARISONS**

MONTH	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	PERCENT CHANGE 1999/98	PERCENT CHANGE 2000/99
January	491,168,340	1,359	501,754,729	1,251	523,604,151	1,155	+2.16	+4.35
February	469,305,849	1,347	486,044,271	1,245	512,511,151	1,140	+3.57	+5.44
March	532,588,272	1,339	553,983,640	1,241	571,648,589	1,134	+4.02	+3.19
April	532,823,237	1,336	525,773,380	1,233			-1.32	
May	524,523,430	1,319	519,613,189	1,219			-.94	
June	464,057,905	1,321	458,247,406	1,216			-1.25	
July	422,973,696	1,305	421,340,140	1,206			-.39	
August	413,296,879	1,298	377,392,147	1,197			-8.69	
September	392,427,802	1,300	386,931,407	1,189			-1.40	
October	429,372,951	1,289	432,175,585	1,181			+65	
November	435,572,798	1,271	447,062,545	1,166			+2.64	
December	<u>474,573,747</u>	1,260	<u>485,682,323</u>	1,160			<u>+2.34</u>	
Years Total	5,582,684,906		5,596,058,417				+2.24	

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 1998 THROUGH MARCH 2000, WITH PERCENTAGE COMPARISONS**

MONTH	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	PERCENT CHANGE 1999/98	PERCENT CHANGE 2000/99
January	324,314,276	158	381,115,401	156	419,358,633	159	+17.51	+10.03
February	317,500,751	156	358,049,940	157	408,598,295	159	+12.77	+14.12
March	366,656,779	157	406,789,374	156	449,720,301	158	+10.95	+10.55
April	369,782,775	156	399,229,362	157			+7.96	
May	388,308,155	155	416,852,251	157			+7.35	
June	378,569,203	159	397,483,877	159			+5.00	
July	372,803,402	157	393,796,366	158			+5.63	
August	370,668,016	156	380,628,318	158			+2.69	
September	353,457,040	155	374,886,452	160			+6.06	
October	365,469,264	159	394,366,657	162			+7.91	
November	348,126,652	158	389,857,074	159			+11.99	
December	<u>371,894,332</u>	157	<u>403,101,846</u>	158			<u>+8.39</u>	
Years Total	4,327,550,645		4,696,156,918				+8.52	



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## TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein <sup>b/</sup>		Other Solids <sup>b/</sup>		S-N-F		SCC <sup>a/</sup>	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
March	3.59	3.57	3.07	3.03	5.69	5.68	8.76	8.71	346	255
April	3.50	3.52	3.04	3.01	5.70	5.68	8.74	8.69	342	242
May	3.52	3.48	3.00	2.97	5.70	5.69	8.70	8.66	348	240
June	3.53	3.45	3.00	2.95	5.66	5.68	8.66	8.63	395	265
July	3.52	3.40	3.01	2.92	5.63	5.65	8.64	8.57	408	290
August	3.54	3.43	3.02	2.95	5.61	5.65	8.63	8.60	429	310
September	3.60	3.50	3.10	3.01	5.61	5.66	8.71	8.67	420	305
October	3.70	3.61	3.15	3.09	5.63	5.65	8.78	8.74	357	273
November	3.71	3.67	3.13	3.10	5.65	5.65	8.78	8.75	333	244
December	3.75	3.72	3.13	3.13	5.66	5.68	8.79	8.81	324	248
Averages	3.60	3.55	3.07	3.02	5.66	5.67	8.73	8.69	369	267
January 2000	3.71	3.68	3.08	3.08	5.69	5.68	8.77	8.77	313	257
February	3.68	3.62	3.06	3.06	5.70	5.69	8.76	8.75	318	252
March	3.62	3.59	3.05	3.04	5.71	5.70	8.76	8.74	318	253

a/ In thousands. b/ Estimated for 1999: True Protein = Crude Protein - .19 and Other Solids = SNF - True Protein

### MARCH 2000 COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$430,761.32
Class I Butterfat	60(a)	8,057,243	\$1.0013	\$8,067,717.43
Class I Skim Per Cwt		337,517,254	\$10.7100	\$36,148,097.89
Class II Butterfat	60(b)	6,033,893	\$1.0261	\$6,191,377.63
Class II Nonfat Solids		6,976,864	\$0.9344	\$6,519,181.72
Class III Butterfat	60(c)	11,233,939	\$1.0191	\$11,448,507.23
Class III Protein		9,619,373	\$1.9166	\$18,436,490.30
Class III Other Solids		18,003,706	\$0.0424	\$763,357.14
Class IV Butterfat	60(d)	4,321,219	\$1.0191	\$4,403,754.28
Class IV Nonfat Solids		6,532,325	\$0.8553	\$5,587,097.59
Class II, III & IV Somatic Cell Adj.	60(e)			\$199,982.63
Total Producer Milk-Product Lbs & Value		820,957,744		\$98,196,325.16
Add: Value as for 60(f) Thru 60(j)				\$5,446.88
Less: Total Protein Pounds	61(b)	25,044,470	<b>\$1.9166</b>	\$48,000,231.24
Total Other Solids Pounds		46,820,359	<b>\$0.0424</b>	\$1,985,183.25
Total Butterfat Pounds		29,646,294	<b>\$1.0191</b>	\$30,212,538.22
Total Value of Somatic Cell Adjustment				\$285,735.95
<b>Total Milk and Value</b>		820,957,744		\$17,718,083.38
Add: Location Differential Adjustments	61(c)			\$1,628,545.78
Producer-Settlement Fund	61(d)			\$428,692.48
<b>Total Producer Milk/URSP and Value</b>		821,237,686	\$2.40799	\$19,775,321.64
Less: Producer-Settlement Fund	61(f)		\$0.04799	\$394,112.25
<b>Producer Price Differential (Dallas County)</b>			<b>\$2.36</b>	\$19,381,209.39

**THE MARKET ADMINISTRATOR'S**  
***REPORT***

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**MARCH 2000**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	345,574,497	42.09	8,057,243	27.18	337,517,254	42.65
Class II	82,809,002	10.09	6,033,893	20.35	76,775,109	9.70
Class III	316,346,101	38.53	11,233,939	37.89	305,112,162	38.56
Class IV	76,228,144	9.29	4,321,219	14.58	71,906,925	9.09
Total	820,957,744	100.00	29,646,294	100.00	791,311,450	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,722,816	42.82	20,009,739	42.74	30,732,565	42.76
Class II	2,429,857	9.70	4,547,011	9.71	6,976,864	9.71
Class III	9,619,373	38.41	18,003,706	38.45	27,623,075	38.44
Class IV	2,272,424	9.07	4,259,903	9.10	6,532,325	9.09
Total	25,044,470	100.00	46,820,359	100.00	71,864,829	100.00