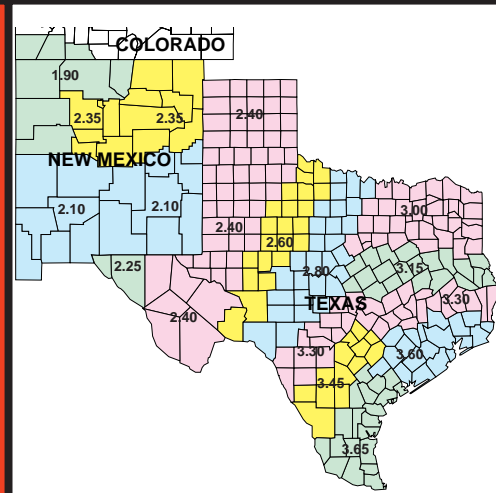


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

**RICHARD FLEMING**, MARKET ADMINISTRATOR  
 P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939  
 (972) 245-6060 FAX (972) 245-3211  
 e-mail: [sw.order@dallasma.com](mailto:sw.order@dallasma.com)  
 WWW: <http://members.aol.com/fmmo1126>

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## MARKET SUMMARY FOR NOVEMBER

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 \$3.77 for November. Butterfat price decreased \$0.2026 per pound from \$1.6526 in October to the level of \$1.4500 in November. Protein price decreased \$0.8619 cents per pound from \$2.6664 in October to \$1.8045 in November. November's Other Solids price decreased \$0.0012 per pound from the previous month to \$0.1470. The Somatic Cell Count adjustment rate factor for November was .00062 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a November statistical uniform price of \$15.08 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is a decrease of \$0.97 in comparison to the statistical blend price of \$16.05 in October.

The November Class I price decreased 17 cents from \$18.93 in October to the November level of \$18.76. The Class II price for November of \$12.78 per hundredweight decreased \$0.75 from \$13.53 in October. November's Class III price decreased \$3.29 from \$14.60 in October to \$11.31 in November. The Class IV price decreased \$0.80 from \$12.77 in October to \$11.97 in November.

In November 823 producers delivered a total of 715,460,135 pounds of milk. On a daily basis this represents an increase of 1.24 percent from the producer receipts level in October and it represents an increase of 9.77 percent when compared to the producer receipts level of November 2000.

Producer milk classified as Class I during November amounted to 48.77 percent of total producer receipts. This figure is down from 49.37 percent in October and it is down from 52.65 percent in November 2000. The average butterfat test of producer milk pooled during November was 3.709 percent, average protein test was 3.133 percent, average other solids test was 5.664 percent and the average somatic cell count was 314,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov 01	Oct 01	Nov 01	Oct 01	Nov 01	Oct 01
Appalachian	16.76	16.73	-----	-----	72.82	73.38
Arizona-Las Vegas	13.73	15.01	-----	-----	35.06	34.89
Central	13.17	14.92	1.86	0.32	29.41	29.99
Florida	18.59	18.30	-----	-----	90.17	91.96
Mideast	13.79	15.03	2.48	0.43	39.50	41.60
Northeast	15.28	16.04	3.97	1.44	47.80	47.80
Pacific Northwest	13.30	14.38	1.99	(0.22)	30.66	33.40
Southeast	16.20	16.70	-----	-----	63.91	66.19
<b>Southwest</b>	<b>15.08</b>	<b>16.05</b>	<b>3.77</b>	<b>1.45</b>	<b>48.77</b>	<b>49.37</b>
Upper Midwest	12.45	14.75	1.14	0.15	19.70	19.90
Western	12.87	14.35	1.56	(0.25)	20.15	31.20

## WHOLESALE DAIRY PRICES RECOVER A BIT

Wholesale butter and cheese prices have regained a portion of their earlier plunges. Exchange prices for Cheddar cheese rose 16 to 19 cents per pound between late October and late November, about one-third of the drop from the late September peak. Similarly, butter prices have risen about 13 cents per pound following a drop of almost \$1 from the early September peak.

In early September, wholesale prices probably were headed for a downward adjustment in any case. The effects of economic weakness were starting to be felt, and milk production was slowly returning to year-earlier levels. In addition, pipeline stocks probably were unusually large because buyers reportedly started acquiring product for holiday use particularly early. The abrupt drop in buying for restaurant and travel related use in mid-September precipitated the price declines. With ample pipeline stocks, buyers could minimize purchases on a falling market. Slow movement caused product to back up in warehouse stocks. Warehouse stocks of both butter and cheese declined very little in September, a month that normally sees a large seasonal decline.

Buyers have returned to the market as both retail sales and restaurant use apparently have been fairly good. Softening in demand for these products has thus far been fairly modest. In addition, retailers quickly began price specials, particularly for butter, once

wholesale prices dropped. Meanwhile, milk production, while recovering, did not manage to reach year-earlier levels in October. Warehouse stocks of butter and cheese posted relatively large declines during October.

Prices probably will be unsettled during the next couple of months but large changes are not expected. Product movement will drop seasonally sometime in the next few weeks as the last holiday orders are filled. However, wholesale movement might be stronger than normal through the post-holiday pipeline refilling period. In addition, increases in milk production and slowing demand are expected to develop only gradually.

*Source: "Livestock, Dairy, and Poultry Situation and Outlook", LDP-M-89, November 28, 2001, Economic Research Service, USDA.*

## 2002 PRICE DATA RELEASE DATES

Listed below are the release dates for price data applicable to January through December 2002, for the Federal milk order pricing system. The advance pricing factors will be released on the Friday before the 23<sup>rd</sup> of the month unless this date is a Friday. Likewise, the price information to be released by the 5<sup>th</sup> of the month will be released on the Friday before this date unless this date is a Friday. The release time for all release dates, except July 5 and November 29, is 10:00 a.m. EST/EDST. For July 5 and November 29, the release time is 3:00 EST.

### RELEASE DATES FOR PRICE DATA

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices <sup>1/</sup>	Release Date	Time Period of NASS Prices <sup>1/</sup>
January	December 21	12/8, 15	February 1	1/5, 12, 19, 26
February	January 18	1/5, 12	March 1	2/2, 9, 16, 23
March	February 22	2/9, 16	April 5	3/2, 9, 16, 23, 30
April	March 22	3/9, 16	May 3	4/6, 13, 20, 27
May	April 19	4/6, 13	May 31	5/4, 11, 18, 25
June	May 17	5/4, 11	July 5	6/1, 8, 15, 22, 29
July	June 21	6/8, 15	August 2	7/6, 13, 20, 27
August	July 19	7/6, 13	August 30	8/3, 10, 17, 24
September	August 23	8/10, 17	October 4	8/31, 9/7, 14, 21, 28
October	September 20	9/7, 14	November 1	10/5, 12, 19, 26
November	October 18	10/5, 12	November 29	11/2, 9, 16, 23
December	November 22	11/9, 16	January 3	11/30, 12/7, 14, 21, 28

<sup>1/</sup> Weekly sales periods, ending on the indicated date, which are included in the applicable average. Information for the week is released by NASS on Friday of the following week.

## TOP TEN TEXAS COUNTIES a/ – NOVEMBER 2001

County	Number of Producers	Pounds	% Change From 2000b/	County	Number of Producers	Pounds	% Change From 2000b/
1. Erath	130	106,929,774	- 1.07	7. Wood	44	10,832,297	- 15.71
2. Hopkins	172	39,454,832	- 4.74	8. Hamilton	17	10,678,686	- 11.91
3. Comanche	38	34,794,852	- 12.91	9. Tom Green	9	8,927,154	- 2.87
4. El Paso	7	19,809,512	- 3.01	10. Van Zandt	16	8,707,903	+ 0.88
5. Archer	53	17,528,050	- 13.97	Ten County Total	490	274,080,287	- 5.10 b/
6. Lamb	4	16,417,227	+ 28.56	Other Counties Total	416	121,599,568	- 7.51
				Texas Total	906	395,679,855	- 5.85

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.					BF	Component Prices			NASS Product Prices			
	I a/	II	III	IV	P.P.D.a/		Other Solids	True Protein	SCC c/ Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
September 2000	14.84	12.58	10.76	11.94	2.52	127.07	5.02	201.37	.00062	115.60	123.15	101.66	18.56
October	14.89	12.54	10.02	11.81	2.87	124.44	4.71	180.28	.00058	113.44	116.02	101.27	18.26
November	14.82	13.68	8.57	13.00	4.02	157.45	5.65	91.49	.00051	140.51	102.45	101.59	19.17
December	15.13	13.97	9.37	13.27	3.54	165.34	8.29	103.78	.00054	146.98	108.98	101.58	21.72
Averages 2000b/	14.55	12.53	9.74	11.83	2.86	125.22	5.09	169.38	.00057	114.08	113.13	101.15	18.63
January 2001	16.99	12.82	9.99	12.13	3.63	128.96	11.20	161.81	.00056	117.25	111.80	101.65	24.84
February	14.94	13.43	10.27	12.70	2.97	146.26	11.99	149.51	.00057	131.43	114.67	101.37	25.61
March	15.65	14.17	11.42	13.46	2.76	168.20	10.39	164.98	.00064	149.42	127.37	101.27	24.06
April	16.44	15.10	12.06	14.41	2.85	194.83	10.81	154.43	.00067	171.26	134.23	101.45	24.46
May	17.21	15.72	13.83	15.04	2.22	211.91	12.29	191.08	.00076	185.27	151.29	101.80	25.90
June	17.99	16.05	15.02	15.33	1.83	220.89	14.09	216.70	.00081	192.63	162.11	101.48	27.64
July	18.34	15.96	15.46	14.81	1.66	218.83	15.10	231.75	.00083	190.94	165.73	96.34	28.62
August	18.40	15.98	15.55	15.06	1.88	229.76	15.35	221.88	.00083	199.90	166.93	94.73	28.86
September	18.56	16.24	15.90	15.59	1.70	244.49	15.20	216.47	.00085	211.98	170.85	94.97	28.71
October	18.93	13.53	14.60	12.77	1.45	165.26	14.82	266.64	.00078	147.01	155.91	94.41	28.35
November	18.76	12.78	11.31	11.97	3.77	145.00	14.70	180.45	.00062	130.40	123.22	93.49	28.23

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

## TOP NEW MEXICO COUNTIES a/ – NOVEMBER 2001

County	Number of Producers	Pounds	% Change From 2000b/	County	Number of Producers	Pounds	% Change From 2000b/
1. Chaves	40	138,714,590	+ 3.01	7. Socorro	8	14,293,264	+ 48.42
2. Roosevelt	40	77,657,309	+ 31.52	8. Valencia	9	9,321,165	+ 1.74
3. Curry	19	73,220,240	+ 27.60	9. Bernalillo	5	5,685,221	+ 7.07
4. Dona Ana	24	72,044,558	+ 6.51				
5. Lea	16	35,745,786	+ 11.62	Nine County Total	167	452,298,721	+ 13.60 b/
6. Eddy	7	25,616,588	+ 9.92	Other Counties Total	6	9,913,279	+ 10.68
				New Mexico Total	173	462,212,000	+ 13.53

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 1999 THROUGH NOVEMBER 2001, WITH PRODUCTION PERCENTAGE COMPARISONS**

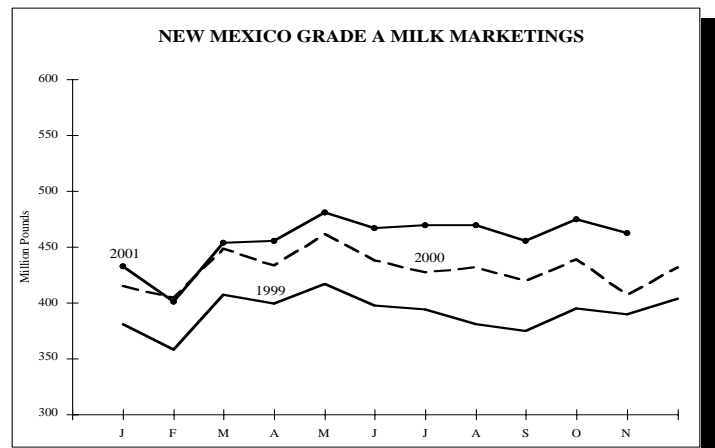
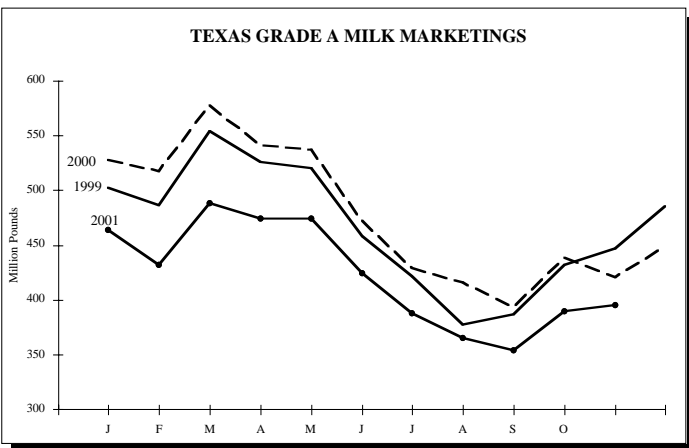
MONTH	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	PERCENT CHANGE 2000/99	2001/00
January	501,754,729	1,251	528,032,131	1,156	463,431,654	1,026	+5.24	-12.23
February	486,044,271	1,245	517,023,791	1,141	432,156,106	1,006	+6.37	-13.43*
March	553,983,640	1,241	577,134,609	1,134	487,875,678	991	+4.18	-15.47
April	525,773,380	1,233	540,903,763	1,121	474,386,881	978	+2.88	-12.30
May	519,613,189	1,219	536,505,477	1,112	474,113,159	961	+3.25	-11.63
June	458,247,406	1,216	472,478,168	1,103	424,655,275	953	+3.11	-10.12
July	421,397,795	1,206	428,683,700	1,089	387,938,852	932	+1.73	-9.50
August	377,392,147	1,197	415,788,563	1,082	365,355,835	918	+10.17	-12.13
September	386,931,407	1,189	393,642,034	1,066	352,986,582	915	+1.73	-10.33
October	432,175,585	1,181	437,963,207	1,058	389,680,164	907	+1.34	-11.02
November	447,062,545	1,166	420,274,058	1,041	395,679,855	906	-5.99	-5.85
December	<u>485,682,323</u>	1,160	<u>448,671,268</u>	1,033			<u>-7.62</u>	
Years Total	5,596,058,417		5,717,100,769				+2.16	

\*Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 1999 THROUGH NOVEMBER 2001, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	PERCENT CHANGE 2000/99	2001/00
January	381,115,401	156	414,930,653	158	432,749,978	166	+8.87	+4.29
February	358,049,940	157	404,085,655	158	400,543,634	166	+12.86	+2.66*
March	406,789,374	156	447,971,781	158	453,232,150	165	+10.12	+1.17
April	399,229,362	157	433,303,618	159	454,980,340	167	+8.54	+5.00
May	416,852,251	157	461,526,991	159	480,995,372	169	+10.72	+4.22
June	397,483,877	159	437,718,050	159	466,640,323	170	+10.12	+6.61
July	393,796,366	158	427,456,503	159	469,362,545	171	+8.55	+9.80
August	380,628,318	158	431,815,797	160	469,391,326	174	+13.45	+8.70
September	374,886,452	160	419,669,872	161	455,259,423	173	+11.95	+8.48
October	394,366,657	162	438,410,599	163	474,918,306	173	+11.17	+8.33
November	389,857,074	159	407,114,759	167	462,212,000	173	+4.43	+13.53
December	<u>403,101,846</u>	158	<u>431,351,678</u>	166			<u>+7.01</u>	
Years Total	4,696,156,918		5,155,355,956				+9.78	

\*Based on average daily delivery.



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## TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein		Other Solids		S-N-F		SCC <sup>a/</sup>	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
November 2000	3.81	3.73	3.19	3.15	5.69	5.68	8.87	8.83	406	313
December	3.84	3.73	3.21	3.14	5.68	5.65	8.88	8.79	378	312
Averages 2000	3.65	3.56	3.09	3.04	5.67	5.67	8.75	8.71	374	273
January 2001	3.81	3.72	3.13	3.10	5.69	5.67	8.81	8.76	422	366
February	3.72	3.69	3.08	3.06	5.69	5.68	8.76	8.74	421	388
March	3.64	3.61	3.07	3.04	5.71	5.70	8.78	8.74	414	348
April	3.54	3.54	3.04	3.01	5.68	5.68	8.72	8.69	383	302
May	3.51	3.48	3.02	2.98	5.67	5.69	8.68	8.66	397	296
June	3.54	3.47	3.01	2.94	5.68	5.70	8.68	8.63	400	295
July	3.57	3.47	3.00	2.91	5.64	5.65	8.63	8.56	430	315
August	3.59	3.45	3.05	2.95	5.61	5.63	8.65	8.58	454	335
September	3.68	3.52	3.11	3.01	5.63	5.66	8.73	8.68	447	328
October	3.76	3.61	3.18	3.09	5.65	5.67	8.83	8.76	385	284
November	3.76	3.67	3.15	3.12	5.67	5.67	8.82	8.78	364	285

a/ In thousands.

**NOVEMBER 2001  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$380,988.11
Class I Butterfat	60(a)	8,228,661	\$1.8856	\$15,515,963.18
Class I Skim Per Cwt		340,672,206	\$12.6000	\$42,924,697.96
Class II Butterfat	60(b)	5,757,618	\$1.4570	\$8,388,849.44
Class II Nonfat Solids		5,021,647	\$0.8844	\$4,441,144.64
Class III Butterfat	60(c)	9,580,654	\$1.4500	\$13,891,948.30
Class III Protein		8,292,140	\$1.8045	\$14,963,166.63
Class III Other Solids		15,012,420	\$0.1470	\$2,206,825.75
Class IV Butterfat	60(d)	2,971,803	\$1.4500	\$4,309,114.35
Class IV Nonfat Solids		3,406,732	\$0.7949	\$2,708,011.27
Class II, III & IV Somatic Cell Adj.	60(e)			\$116,059.61
Total Producer Milk-Product Lbs & Value		715,460,135		\$109,846,769.24
Add: Value as for 60(f) Thru 60(j)				\$17,117.78
Less: Total Protein Pounds	61(b)	22,412,801	<b>\$1.8045</b>	\$40,443,899.42
Total Other Solids Pounds		40,521,238	<b>\$0.1470</b>	\$5,956,622.02
Total Butterfat Pounds		26,538,736	<b>\$1.4500</b>	\$38,481,167.20
Total Value of Somatic Cell Adjustment				\$159,745.93
<b>Total Milk and Value</b>		715,460,135		\$24,822,452.45
Add: Location Differential Adjustments	61(c)			\$2,190,155.28
Producer-Settlement Fund	61(d)			\$300,738.55
<b>Total Producer Milk/URSP and Value</b>		715,638,832	\$3.81663	\$27,313,346.28
Less: Producer-Settlement Fund	61(f)		\$0.04663	\$333,762.31
<b>Producer Price Differential (Dallas County)</b>			<b>\$3.77</b>	\$26,979,583.97

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 RICHARD FLEMING, MARKET ADMINISTRATOR  
 P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939  
 (972) 245-6060 FAX(972) 245-3211

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**NOVEMBER 2001**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	348,900,867	48.77	8,228,661	31.01	340,672,206	49.45
Class II	60,710,514	8.49	5,757,618	21.70	54,952,896	7.98
Class III	265,670,205	37.12	9,580,654	36.09	256,089,551	37.17
Class IV	40,178,549	5.62	2,971,803	11.20	37,206,746	5.40
Total	715,460,135	100.00	26,538,736	100.00	688,921,399	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,123,213	49.63	20,077,885	49.55	31,201,099	49.58
Class II	1,784,736	7.96	3,236,910	7.99	5,021,647	7.98
Class III	8,292,140	37.00	15,012,420	37.05	23,304,561	37.03
Class IV	1,212,712	5.41	2,194,023	5.41	3,406,732	5.41
Total	22,412,801	100.00	40,521,238	100.00	62,934,039	100.00