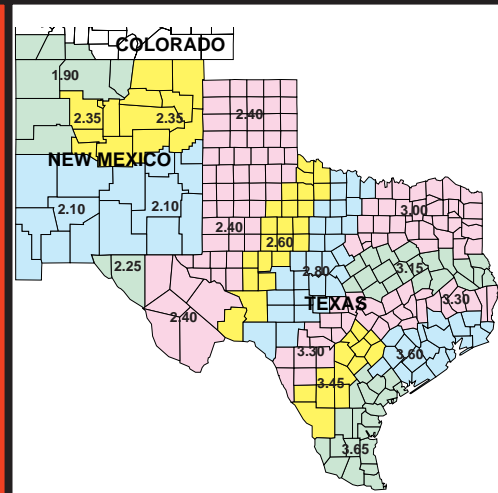


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR SEPTEMBER

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 \$1.70 for September. Butterfat price increased \$0.1473 per pound from \$2.2976 in August to the level of \$2.4449 for September. Protein price decreased \$0.0541 cents per pound from \$2.2188 in August to \$2.1647 in September. September's Other Solids price decreased \$0.0015 per pound from the previous month to \$0.1520. The Somatic Cell Count adjustment rate factor for September was .00085 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a September statistical uniform price of \$17.60 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 17 cents in comparison to the statistical blend price of \$17.43 in August.

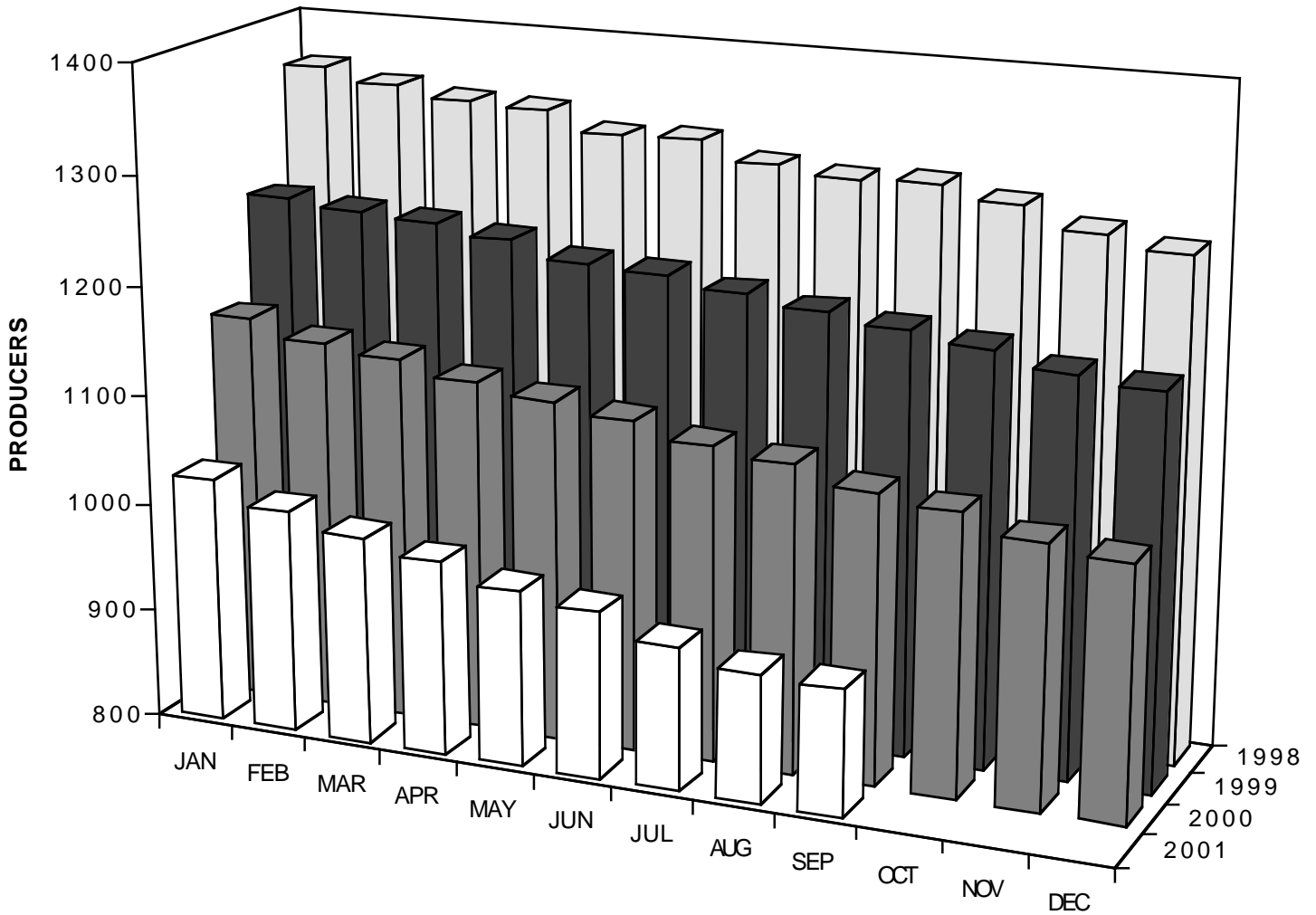
The September Class I price increased 16 cents from \$18.40 in August to the September level of \$18.56. The Class II price for September of \$16.24 per hundredweight increased 26 cents from \$15.98 in August. September's Class III price increased 35 cents from \$15.55 in August to \$15.90 in September. The Class IV price increased 53 cents from \$15.06 in August to \$15.59 in September.

In September 761 producers delivered a total of 674,073,110 pounds of milk. On a daily basis this represents an increase of 0.25 percent from the producer receipts level in August but it represents a decrease of 1.15 percent when compared to the producer receipts level of September 2000.

Producer milk classified as Class I during September amounted to 49.42 percent of total producer receipts. This figure is down from 51.41 percent in August and it is up slightly from 49.12 percent in September 2000. The average butterfat test of producer milk pooled during September was 3.584 percent, average protein test was 3.045 percent, average other solids test was 5.651 percent and the average somatic cell count was 367,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Sep 01	Aug 01	Sep 01	Aug 01	Sep 01	Aug 01
Appalachian	18.17	18.01	-----	-----	68.96	74.80
Arizona-Las Vegas	16.70	16.39	-----	-----	35.04	37.11
Central	16.56	16.29	0.66	0.74	28.23	27.35
Florida	19.45	19.19	-----	-----	89.39	90.96
Mideast	16.87	16.54	0.97	0.99	41.00	37.10
Northeast	17.76	17.53	1.86	1.98	44.60	43.70
Pacific Northwest	16.34	15.99	0.44	0.44	27.40	27.71
Southeast	18.09	17.87	-----	-----	64.55	68.63
Southwest	17.60	17.43	1.70	1.88	49.42	51.41
Upper Midwest	16.28	16.06	0.38	0.51	18.70	21.80
Western	16.32	16.04	0.42	0.49	18.30	19.92

**NUMBER OF TEXAS DAIRY PRODUCERS
1998 - 2001**



**MILK PRODUCTION DATA RELATIVE TO PERCENTAGE
OF FARM SIZE IN TEXAS
SEPTEMBER 2001**

FARM SIZE POUNDS	PRODUCER NUMBERS	MILK LBS.	% OF TOTAL MILK
0- 49,999	96	3,031,393	.86
50,000- 99,999	167	12,595,946	3.57
100,000-149,999	143	17,696,486	5.01
150,000-199,999	102	17,348,475	4.91
200,000-249,999	82	18,423,702	5.22
250,000-299,999	39	10,636,021	3.01
300,000-349,999	28	9,016,304	2.55
350,000-399,999	28	10,490,015	2.97
400,000-449,999	28	11,772,176	3.34
450,000-499,999	23	10,762,688	3.05
500,000-599,999	39	21,309,325	6.04
600,000-699,999	19	12,691,183	3.60
700,000-799,999	18	13,661,618	3.87
800,000-899,999	14	11,776,526	3.34
900,000-999,999	8	7,531,112	2.13
<u>OVER -1,000,000</u>	<u>81</u>	<u>164,243,612</u>	<u>46.53</u>
TOTAL	915	352,986,582	100.00

**MILK PRODUCTION DATA RELATIVE TO PERCENTAGE
OF FARM SIZE IN NEW MEXICO
SEPTEMBER 2001**

FARM SIZE POUNDS	PRODUCER NUMBERS	MILK LBS.	% OF TOTAL MILK
0- 49,999	4	98,254	.02
50,000- 99,999	4	299,588	.08
100,000-149,999	2	275,202	.06
150,000-199,999	3	517,236	.11
200,000-249,999	3	673,154	.15
250,000-299,999	2	539,811	.12
300,000-349,999	--	-----	---
350,000-399,999	--	-----	---
400,000-449,999	4	1,657,537	.36
450,000-499,999	1	462,321	.10
500,000-599,999	1	564,560	.12
600,000-699,999	3	1,901,423	.42
700,000-799,999	4	2,976,849	.65
800,000-899,999	4	3,405,911	.75
900,000-999,999	3	2,870,186	.63
<u>OVER -1,000,000</u>	<u>135</u>	<u>439,017,391</u>	<u>96.43</u>
TOTAL	173	455,259,423	100.00

TOP TEN TEXAS COUNTIES a/ – SEPTEMBER 2001

County	Number of Producers	Pounds	% Change From 2000b/	County	Number of Producers	Pounds	% Change From 2000b/
1. Erath	131	95,501,375	- 8.57	7. Hamilton	17	9,615,965	- 19.23
2. Hopkins	173	35,037,938	- 2.86	8. Wood	46	9,361,239	- 15.73
3. Comanche	41	33,347,483	- 13.06	9. Tom Green	10	8,226,024	- 12.20
4. El Paso	7	19,071,518	+ 3.94	10. Johnson	22	7,533,117	- 31.42
5. Lamb	4	15,820,784	+ 28.62	Ten County Total	505	248,980,610	- 8.38 b/
6. Archer	54	15,465,167	- 18.03	Other Counties Total	410	104,005,972	- 14.67
				Texas Total	915	352,986,582	- 10.33

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-----						
July 2000	15.46	12.58	10.66	11.87	2.70	126.91	5.57	197.26	.00061	115.47	121.89	101.02	19.09
August	14.95	12.56	10.13	11.87	3.03	126.59	5.77	179.52	.00058	115.20	116.60	101.08	19.29
September	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

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

TOP NEW MEXICO COUNTIES a/ – SEPTEMBER 2001

County	Number of Producers	Pounds	% Change From 2000b/	County	Number of Producers	Pounds	% Change From 2000b/
1. Chaves	40	135,017,109	- 1.34	7. Socorro	8	13,532,695	+ 34.17
2. Roosevelt	40	77,205,307	+23.17	8. Valencia	9	9,565,642	+ 0.76
3. Curry	18	72,990,962	+ 20.43	9. Bernalillo	5	5,916,315	+ 5.95
4. Dona Ana	24	70,937,875	+ 5.26				
5. Lea	16	36,768,994	+ 7.31	Nine County Total	167	445,506,822	+ 8.58 b/
6. Eddy	7	23,571,923	+ 0.98	Other Counties Total	6	9,752,601	+ 4.17
				New Mexico Total	173	455,259,423	+ 8.48

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 SEPTEMBER 2001, WITH PRODUCTION PERCENTAGE COMPARISONS**

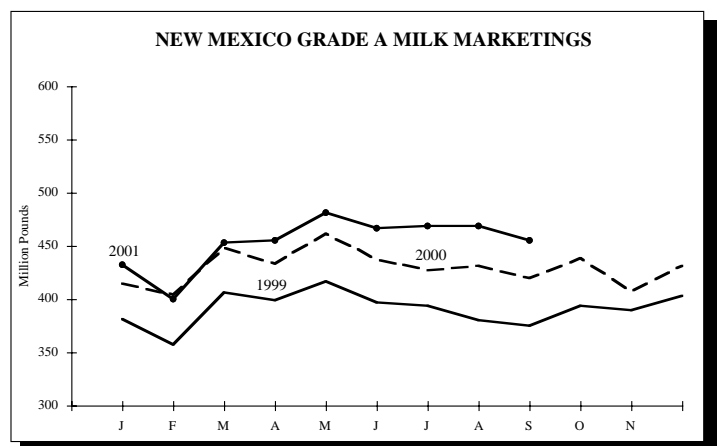
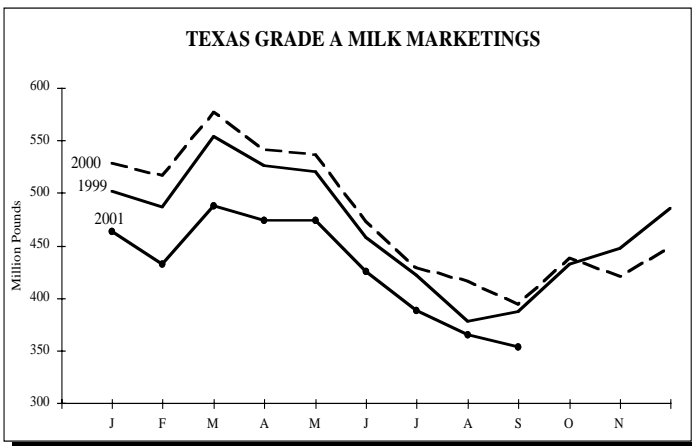
MONTH	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	PERCENT CHANGE 2000/99	2001/00
January	501,754,729	1,251	528,032,131	1,156	463,431,654	1,026	+5.24	-12.23
February	486,044,271	1,245	517,023,791	1,141	432,156,106	1,006	+6.37	-13.43*
March	553,983,640	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			+1.34	
November	447,062,545	1,166	420,274,058	1,041			-5.99	
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 SEPTEMBER 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			+11.17	
November	389,857,074	159	407,114,759	167			+4.43	
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 ^{a/}	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
September 2000	3.59	3.48	3.10	3.01	5.61	5.63	8.71	8.64	419	278
October	3.72	3.59	3.16	3.10	5.67	5.67	8.82	8.77	369	258
November	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

a/ In thousands.

**SEPTEMBER 2001
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$417,212.96
Class I Butterfat	60(a)	7,520,624	\$2.2732	\$17,095,882.50
Class I Skim Per Cwt		325,602,028	\$10.9900	\$35,783,662.92
Class II Butterfat	60(b)	5,568,425	\$2.4519	\$13,653,221.28
Class II Nonfat Solids		6,358,223	\$0.8822	\$5,609,224.35
Class III Butterfat	60(c)	7,440,204	\$2.4449	\$18,190,554.78
Class III Protein		6,725,308	\$2.1647	\$14,558,274.24
Class III Other Solids		12,565,276	\$0.1520	\$1,909,921.95
Class IV Butterfat	60(d)	3,627,580	\$2.4449	\$8,869,070.36
Class IV Nonfat Solids		3,504,431	\$0.8097	\$2,837,537.78
Class II, III & IV Somatic Cell Adj.	60(e)			\$11,750.15
Total Producer Milk-Product Lbs & Value		674,073,110		\$118,936,313.27
Add: Value as for 60(f) Thru 60(j)				\$81,260.77
Less: Total Protein Pounds	61(b)	20,527,319	\$2.1647	\$44,435,487.45
Total Other Solids Pounds		38,090,221	\$0.1520	\$5,789,713.59
Total Butterfat Pounds		24,156,833	\$2.4449	\$59,061,041.00
Total Value of Somatic Cell Adjustment				\$(99,668.95)
Total Milk and Value		674,073,110		\$9,831,000.95
Add: Location Differential Adjustments	61(c)			\$1,643,562.31
Producer-Settlement Fund	61(d)			\$309,299.01
Total Producer Milk/URSP and Value		694,248,354	\$1.74770	\$11,783,862.27
Less: Producer-Settlement Fund	61(f)		\$0.04770	\$321,640.25
Producer Price Differential (Dallas County)			\$1.70	\$11,462,222.02

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SEPTEMBER 2001
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	333,122,652	49.42	7,520,624	31.13	325,602,028	50.10
Class II	76,088,941	11.29	5,568,425	23.05	70,520,516	10.85
Class III	222,388,747	32.99	7,440,204	30.80	214,948,543	33.07
Class IV	42,472,770	6.30	3,627,580	15.02	38,845,190	5.98
Total	674,073,110	100.00	24,156,833	100.00	649,916,277	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,355,544	50.45	19,108,761	50.17	29,464,301	50.26
Class II	2,220,711	10.82	4,137,511	10.86	6,358,223	10.85
Class III	6,725,308	32.76	12,565,276	32.99	19,290,585	32.91
Class IV	1,225,756	5.97	2,278,673	5.98	3,504,431	5.98
Total	20,527,319	100.00	38,090,221	100.00	58,617,540	100.00