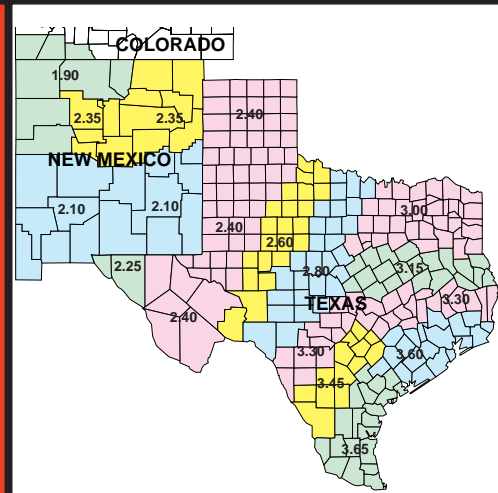


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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FEBRUARY 2003

MARKET SUMMARY FOR JANUARY

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 \$2.10 for January. Butterfat price decreased \$0.0066 per pound from \$1.1922 in December to the level of \$1.1856 in January. Protein price increased \$0.0658 per pound from \$1.7506 in December to \$1.8164 in January. January's Other Solids price decreased \$0.0245 per pound from the previous month to \$0.0339. The Somatic Cell Count adjustment rate factor for January was .00057 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a January statistical uniform price of \$11.88 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 \$0.04 in comparison to the statistical blend price of \$11.92 in December.

The January Class I price increased 4 cents from

\$13.52 in December to the January level of \$13.56. The Boston Class I price of \$13.81 produced a dairy deficiency payment of \$1.41 for January. The Class II price for January of \$11.29 per hundredweight decreased \$0.33 from \$11.62 in December. January's Class III price increased \$0.04 from \$9.74 in December to \$9.78 in January. The Class IV price decreased \$0.42 from \$10.49 in December to \$10.07 in January.

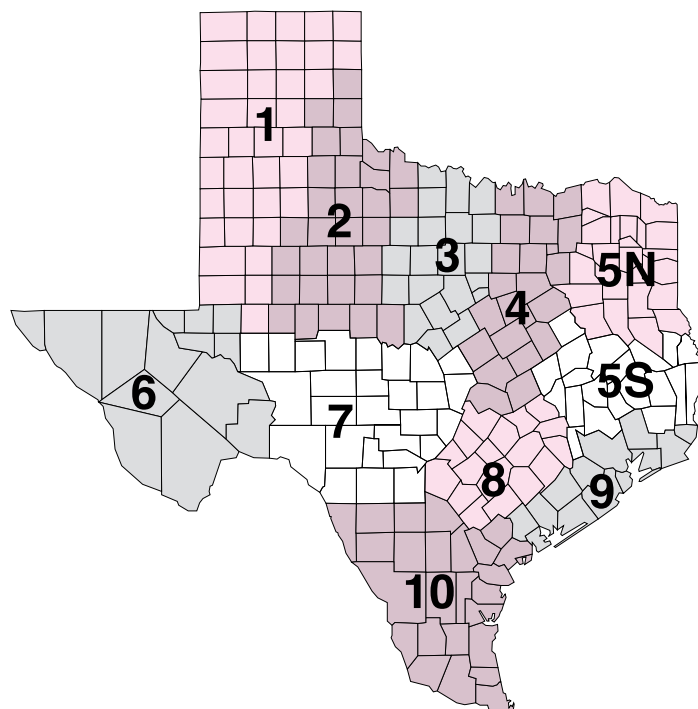
In January 760 producers delivered a total of 838,638,791 pounds of milk. On a daily basis this represents an increase of 5.57 percent from the producer receipts level in December and it represents an increase of 5.58 percent when compared to the producer receipts level of January 2002.

Producer milk classified as Class I during January amounted to 44.31 percent of total producer receipts. This figure is up from 42.26 percent in December but it is down from 46.00 percent in January 2002. The average butterfat test of producer milk pooled during January was 3.747 percent, average protein test was 3.077 percent, average other solids test was 5.694 percent and the average somatic cell count was 314,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jan 03	Dec 02	Jan 03	Dec 02	Jan 03	Dec 02
Appalachian	12.94	12.96	-----	-----	71.39	67.20
Arizona-Las Vegas	10.97	11.07	-----	-----	32.36	32.53
Central	10.67	10.67	0.89	0.93	26.07	25.33
Florida	14.18	14.15	-----	-----	88.91	84.62
Mideast	11.05	11.12	1.27	1.38	40.80	40.40
Northeast	12.19	12.24	2.41	2.50	45.30	44.60
Pacific Northwest	10.76	10.81	0.98	1.07	30.46	27.45
Southeast	12.68	12.76	-----	-----	64.29	64.98
Southwest	11.88	11.92	2.10	2.18	44.31	42.26
Upper Midwest	10.36	10.33	0.58	0.59	19.70	18.80
Western	10.49	10.50	0.71	0.76	18.74	22.94

TEXAS GEOGRAPHIC REGIONS

AREA	REGION NAME
1	HIGH PLAINS
2	LOW PLAINS
3	CROSSTIMBERS
4	BLACKLANDS
5N	NORTHEAST
5S	SOUTHEAST
6	TRANS-PECOS
7	EDWARDS PLATEAU
8	SOUTH CENTRAL
9	UPPER COAST
10	SOUTH



TEXAS DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - DECEMBER 2002

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	32	16.08	3.86	3.11	5.70	8.81	299
2	11	1.80	3.79	3.17	5.68	8.84	422
3	281	44.18	3.77	3.16	5.70	8.86	337
4	91	5.77	3.84	3.18	5.68	8.87	360
5N	330	20.62	3.80	3.16	5.69	8.85	416
5S	11	0.34	3.69	3.17	5.63	8.80	456
6	13	5.70	3.67	3.00	5.60	8.60	362
7	15	2.17	3.90	3.20	5.68	8.88	417
8	44	2.03	4.00	3.24	5.64	8.88	405
9	4	0.14	3.71	3.00	5.56	8.55	478
10	11	1.19	4.45	3.48	5.66	9.14	425
TOTAL	843	100.00	3.80	3.15	5.69	8.84	356

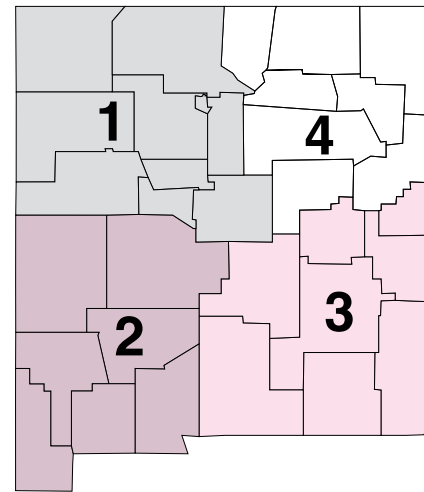
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - DECEMBER 2002

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-100	101-250	251-500	501-750	751-1000	1001->	
1	2	4	3	3	5	15	42,912
2	3	3	3	0	1	1	4,793
3	75	80	54	27	10	35	117,852
4	45	30	12	1	1	2	15,385
5N	166	105	44	9	2	4	55,018
5S	9	1	1	0	0	0	903
6	1	2	2	2	1	5	15,194
7	7	2	2	1	1	2	5,781
8	29	10	3	2	0	0	5,403
9	2	2	0	0	0	0	379
10	1	7	0	2	1	0	3,164
TOTAL	340	246	124	47	22	64	266,783

*ESTIMATED BASED ON A 55 LB/DAY/COW AVERAGE

NEW MEXICO GEOGRAPHIC REGIONS

AREA	REGION NAME
1	NORTHWEST
2	SOUTHWEST
3	SOUTHEAST
4	NORTHEAST



NEW MEXICO DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - DECEMBER 2002

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	15	3.81	3.70	3.12	5.66	8.78	282
2	37	20.52	3.71	3.07	5.72	8.79	260
3	126	75.67	3.75	3.11	5.68	8.79	319
4	0	0	0	0	0	0	0
TOTAL	178	100.00	3.74	3.10	5.69	8.79	306

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - DECEMBER 2002

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-250	251-500	501-1000	1001-2000	2001-3000	3001->	
1	5	4	3	1	2	0	9,904
2	2	5	4	18	6	2	53,304
3	12	9	15	49	30	11	196,548
4	0	0	0	0	0	0	0
TOTAL	19	18	22	68	38	13	259,756

*ESTIMATED BASED ON A 65 LB/DAY/COW AVERAGE

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 a/	II	III	IV	P.P.D.a/	BF	Other Solids	True Protein	SCC c/ Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
December	14.98	12.61	11.80	11.79	1.65	143.22	15.17	197.82	.00064	128.94	127.62	91.99	28.68
Averages 2001 ^{b/}	17.27	14.53	13.10	13.76	2.36	184.80	13.43	196.13	.00071	163.04	142.64	97.91	27.00
January 2002	14.96	12.69	11.87	11.93	1.79	148.46	13.92	196.60	.00065	133.24	129.22	91.61	27.47
February	14.95	12.28	11.63	11.54	1.65	138.17	9.65	208.84	.00064	124.80	128.95	91.21	23.34
March	14.62	12.19	10.65	11.42	2.12	136.38	6.88	183.42	.00060	123.33	120.87	90.60	20.66
April	14.47	11.88	10.85	11.09	1.86	128.90	5.66	201.09	.00062	117.20	123.23	89.75	19.48
May	14.26	11.29	10.82	10.57	1.60	114.33	3.71	220.97	.00062	105.25	123.59	89.72	17.59
June	14.03	11.19	10.09	10.52	2.02	112.11	2.47	201.48	.00059	103.43	117.08	90.05	16.39
July	13.62	11.14	9.33	10.45	2.48	109.29	1.50	180.95	.00055	101.12	110.04	90.33	15.45
August	13.48	11.07	9.54	10.41	2.41	107.01	1.77	190.21	.00056	99.25	111.89	90.74	15.71
September	13.46	10.91	9.92	10.22	2.00	100.99	3.67	206.46	.00057	94.31	114.38	90.96	17.55
October	13.15	11.12	10.72	10.50	1.35	107.26	7.55	218.39	.00060	99.45	120.20	91.65	21.31
November	13.60	11.26	9.84	10.58	2.13	109.23	8.50	184.69	.00056	101.07	111.11	91.77	22.23
December	13.52	11.62	9.74	10.49	2.18	119.22	5.84	175.06	.00056	109.26	112.03	86.82	19.65
Averages 2002 ^{b/}	14.01	11.55	10.42	10.81	1.97	119.28	5.93	197.35	.00059	109.31	118.55	90.43	19.74
January 2003	13.56	11.29	9.78	10.07	2.10	118.56	3.39	181.64	.00057	108.72	113.70	82.07	17.28

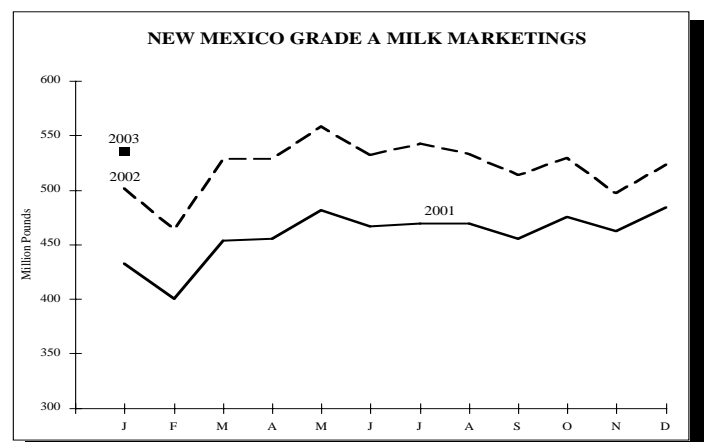
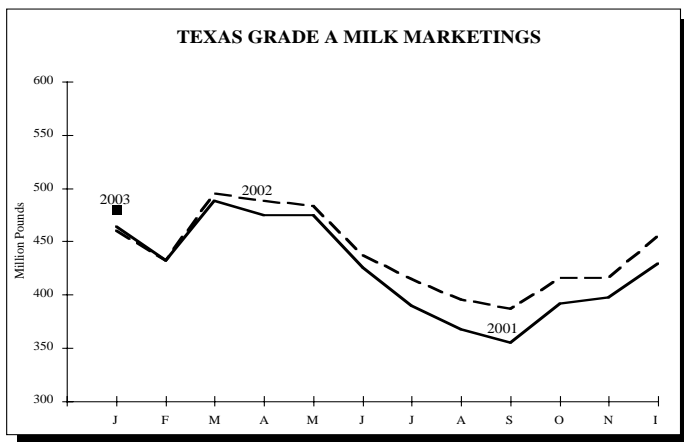
a/ Subject to location adjustments. b/ Simple averages c/ SCC adjustment rate is per 1,000 difference.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2001 THROUGH JANUARY 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	463,431,654	1,026	459,850,238	897	480,011,354	845	-0.77	+ 4.38
February	432,156,106	1,006	431,807,361	894			-0.08	
March	487,875,678	991	494,608,931	893			+1.38	
April	474,386,881	978	487,475,741	889			+2.76	
May	474,236,039	962	482,994,330	875			+1.85	
June	425,591,909	954	435,698,971	872			+2.37	
July	389,996,462	933	414,700,943	862			+6.33	
August	367,810,615	919	395,468,644	851			+7.52	
September	354,482,882	916	386,732,687	859			+9.10	
October	391,332,224	908	415,984,319	846			+6.30	
November	397,352,762	907	415,537,665	847			+4.58	
December	<u>429,232,267</u>	903	<u>454,863,992</u>	843			<u>+5.97</u>	
Years Total	5,087,885,479		5,275,723,822				+3.69	

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2001 THROUGH JANUARY 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	432,749,978	166	501,275,998	174	535,741,056	177	+15.84	+ 6.66
February	400,543,634	166	463,667,936	173			+15.76	
March	453,232,150	165	528,830,087	175			+16.68	
April	454,980,340	167	528,467,048	175			+16.15	
May	480,995,372	169	557,746,887	176			+15.96	
June	466,640,323	170	532,178,000	178			+14.04	
July	469,362,545	171	542,546,821	176			+15.59	
August	469,391,326	174	532,685,705	176			+13.48	
September	455,259,423	173	513,773,496	178			+12.85	
October	474,918,306	173	529,524,800	178			+11.50	
November	462,212,000	173	496,802,059	178			+7.48	
December	<u>484,020,641</u>	173	<u>523,409,272</u>	178			<u>+8.14</u>	
Years Total	5,504,306,038		6,250,908,109				+13.56	



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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
January 2002	3.78	3.71	3.12	3.09	5.69	5.69	8.81	8.78	364	322
February	3.77	3.71	3.09	3.06	5.70	5.69	8.79	8.75	371	327
March	3.72	3.66	3.08	3.03	5.71	5.70	8.79	8.73	335	294
April	3.63	3.56	3.03	2.98	5.70	5.71	8.73	8.68	342	275
May	3.58	3.49	3.01	2.96	5.68	5.69	8.68	8.65	342	256
June	3.58	3.47	2.99	2.92	5.69	5.69	8.67	8.61	366	263
July	3.59	3.45	3.00	2.91	5.67	5.69	8.66	8.60	407	290
August	3.58	3.47	3.02	2.93	5.65	5.68	8.67	8.61	414	303
September	3.62	3.55	3.09	3.00	5.64	5.67	8.72	8.67	393	297
October	3.76	3.67	3.15	3.08	5.66	5.68	8.81	8.76	376	281
November	3.87	3.76	3.19	3.13	5.68	5.68	8.86	8.80	368	296
December	3.80	3.74	3.15	3.10	5.69	5.69	8.84	8.79	356	306
Averages 2002	3.69	3.60	3.08	3.02	5.68	5.69	8.75	8.70	370	293
January 2003	3.77	3.72	3.11	3.05	5.70	5.68	8.80	8.73	338	313

a/ In thousands.

**JANUARY 2003
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$415,943.01
Class I Butterfat	60(a)	8,638,062	\$1.2084	\$10,438,234.11
Class I Skim Per Cwt		362,967,761	\$9.6700	\$35,098,982.53
Class II Butterfat	60(b)	6,251,414	\$1.1926	\$7,455,436.36
Class II Nonfat Solids		6,164,243	\$0.8189	\$5,047,898.61
Class III Butterfat	60(c)	8,376,769	\$1.1856	\$9,931,497.36
Class III Protein		7,410,435	\$1.8164	\$13,460,314.17
Class III Other Solids		13,790,374	\$0.0339	\$467,493.69
Class IV Butterfat	60(d)	8,155,716	\$1.1856	\$9,669,416.91
Class IV Nonfat Solids		12,996,307	\$0.6807	\$8,846,586.19
Class II, III & IV Somatic Cell Adj.	60(e)			\$92,556.24
Total Producer Milk-Product Lbs & Value		838,638,791		\$100,924,359.18
Add: Value as for 60(f) Thru 60(j)				\$31,962.09
Less: Total Protein Pounds	61(b)	25,808,484	\$1.8164	\$46,878,530.38
Total Other Solids Pounds		47,749,770	\$0.0339	\$1,618,717.23
Total Butterfat Pounds		31,421,961	\$1.1856	\$37,253,876.95
Total Value of Somatic Cell Adjustment				\$171,777.39
Total Milk and Value		838,638,791		\$15,033,419.32
Add: Location Differential Adjustments	61(c)			\$2,605,926.94
Producer-Settlement Fund	61(d)			\$327,503.11
Total Producer Milk/URSP and Value		838,638,791	\$2.14238	\$17,966,849.37
Less: Producer-Settlement Fund	61(f)		\$0.04238	\$355,434.76
Producer Price Differential (Dallas County)			\$2.10	\$17,611,414.61

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JANUARY 2003
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	371,605,823	44.31	8,638,062	27.49	362,967,761	44.97
Class II	73,853,810	8.81	6,251,414	19.90	67,602,396	8.37
Class III	242,171,250	28.87	8,376,769	26.65	233,794,481	28.96
Class IV	151,007,908	18.01	8,155,716	25.96	142,852,192	17.70
Total	838,638,791	100.00	31,421,961	100.00	807,216,830	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,690,252	45.30	21,506,645	45.05	33,196,894	45.13
Class II	2,165,253	8.39	3,998,990	8.37	6,164,243	8.38
Class III	7,410,435	28.71	13,790,374	28.88	21,200,810	28.82
Class IV	4,542,544	17.60	8,453,761	17.70	12,996,307	17.67
Total	25,808,484	100.00	47,749,770	100.00	73,558,254	100.00