

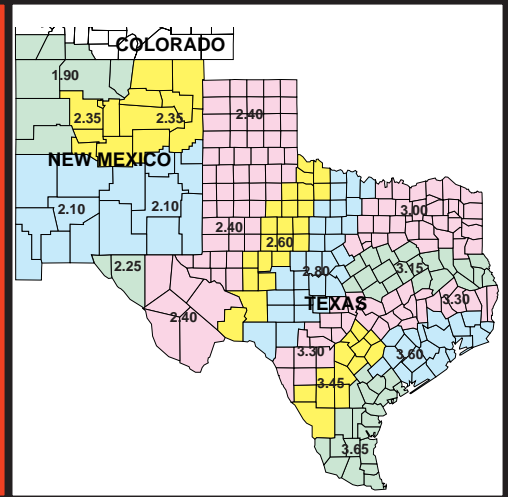
# THE MARKET ADMINISTRATOR'S

# 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://www.dallasma.com>



VOLUME XXIV, NO. 9

SEPTEMBER 2003

## MARKET SUMMARY FOR AUGUST

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 a negative \$0.87 for August. Butterfat price increased \$0.0459 per pound from \$1.2055 in July to the level of \$1.2514 in August. Protein price increased \$0.5958 per pound from \$2.5480 in July to \$3.1438 in August. August's Other Solids price increased \$0.0150 per pound from negative \$0.0124 in July to a positive \$0.0026 in August. The Somatic Cell Count adjustment rate factor for August was .00077 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an August statistical uniform price of \$12.93 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 \$0.92 in comparison to the statistical blend price of \$12.01 in July.

The August Class I price increased \$1.20 cents from \$12.77 in July to the August level of \$13.97. The Boston Class I price of \$14.22 produced a dairy deficiency payment of \$1.22 for August. The Class II price for August of \$10.81 per hundredweight increased \$0.18 from \$10.63 in July. August's Class III price increased \$2.02 from \$11.78 in July to \$13.80 in August. The Class IV price increased \$0.19 from \$9.95 in July to \$10.14 in August.

In August 767 producers delivered a total of 559,165,266 pounds of milk. On a daily basis this represents a decrease of 6.08 percent from the producer receipts level in July and it represents a decrease of 28.25 percent when compared to the producer receipts level of August 2002.

Producer milk classified as Class I during August amounted to 61.04 percent of total producer receipts. This figure is up from 54.61 percent in July and it is up from 45.01 percent in August 2002. The average butterfat test of producer milk pooled during August was 3.516 percent, average protein test was 2.961 percent, average other solids test was 5.693 percent and the average somatic cell count was 348,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Aug 03	Jul 03	Aug 03	Jul 03	Aug 03	Jul 03
Appalachian	13.52	12.49	-----	-----	78.22	77.05
Arizona-Las Vegas	12.94	11.53	-----	-----	34.73	34.00
Central	12.52	11.49	(1.28)	(0.29)	59.75	49.23
Florida	14.53	13.46	-----	-----	87.78	86.67
Mideast	12.60	11.68	(1.20)	(0.10)	53.80	51.20
Northeast	13.72	12.46	(0.08)	0.68	44.90	41.90
Pacific Northwest	11.66	10.93	(2.14)	(0.85)	40.64	41.91
Southeast	13.54	12.47	-----	-----	79.17	66.33
<b>Southwest</b>	<b>12.93</b>	<b>12.01</b>	<b>(0.87)</b>	<b>0.23</b>	<b>61.04</b>	<b>54.61</b>
Upper Midwest	12.22	11.37	(1.58)	(0.41)	50.60	49.70
Western	12.10	11.44	(1.70)	(0.34)	50.39	52.59

## MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS AND CALIFORNIA, 2002 ANNUAL AVERAGES, WITH COMPARISONS

For 2002, mailbox prices for selected reporting areas in Federal milk orders averaged \$11.91 per cwt., \$2.86 lower than the all-area average reported in 2001. On an individual reporting basis, mailbox prices averaged lower in 2002 than in 2001 in all areas. Florida had the highest average price in 2002, \$15.22; Utah had the lowest average, \$10.68. During the year, mailbox prices decreased from January through June/July, then increased through October/November, and then decreased through the end of the year.

Reporting Area <sup>1/</sup>	Mailbox Milk Price <sup>2/3/</sup>		Change 2002 from 2001
	2001	2002	
	Dollars per cwt.		
Northeast Milk Order	14.95	11.89	-3.06
Appalachian States <sup>4/</sup>	15.67	12.62	-3.05
Southeast States <sup>5/</sup>	15.91	13.19	-2.72
Florida	17.61	15.22	-2.39
Ohio	14.83	11.91	-2.92
Michigan	14.62	11.69	-2.93
Wisconsin	14.65	12.02	-2.63
Minnesota	14.53	11.85	-2.68
Illinois	14.50	11.94	-2.56
Northern Missouri <sup>6/</sup>	14.26	12.47	-1.79
Southern Missouri <sup>7/</sup>	14.71	11.99	-2.72
Corn Belt States <sup>8/</sup>	14.37	11.67	-2.70
Western Texas <sup>9/</sup>	14.73	12.02	-2.71
New Mexico	13.89	11.05	-2.84
Idaho	13.56	10.88	-2.68
Utah	13.71	10.68	-3.03
Northwest States <sup>10/</sup>	14.29	11.54	-2.75
All Market Avg. <sup>11/</sup>	14.77	11.91	-2.86
California <sup>12/</sup>	13.89	10.99	-2.90

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the market and is reported at the market average butterfat test. 3/ All figures are weighted annual averages using the applicable monthly prices and producer milk receipts for the respective order or group of orders for which the price is reported. 4/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 5/ Includes Alabama, Georgia, Louisiana, and Mississippi. 6/ All counties to the north of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry. 7/ The counties listed in 6/ and all to the south of these. 8/ Includes Iowa, Kansas, and Nebraska. 9/ All counties to the west of

Fannin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 10/ Includes Oregon and Washington. 11/ Weighted average of the information for all selected reporting areas in Federal milk orders. 12/ Calculated by the California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

### Texas Agricultural Cash Receipts by Commodity, 2002

Rank	Commodity	Receipts <sup>1/</sup>	Percent of total
		<b>\$1,000</b>	
1	Cattle and Calves	5,862,734	46.3
2	Greenhouse and Nursery	1,348,136	10.6
3	Cotton (lint and seed)	974,366	7.7
4	Broilers	893,327	7.1
5	Milk (wholesale)	680,604	5.4
6	Hay	404,593	3.2
7	Corn	350,811	2.8
8	Sorghum Grain	299,200	2.4
9	Eggs	273,312	2.2
10	Wheat	216,668	1.7
11	Peanuts	157,976	1.2
12	Onions	122,871	1.0
13	Cantaloupes	80,798	0.6
14	Hogs	65,974	0.5
15	Rice	62,252	0.5
	All Others	875,191	6.9
	<b>TOTAL</b>	<b>12,668,813</b>	

1/ Excludes government payments.

### New Mexico Agricultural Cash Receipts by Commodity, 2002

Rank	Commodity	Receipts <sup>1/</sup>	Percent of total
		<b>\$1,000</b>	
1	Milk (wholesale)	743,869	38.0
2	Cattle and Calves	593,336	30.3
3	Hay	185,841	9.5
4	Greenhouse and Nursery	61,350	3.1
5	Other Field Crops	57,500	2.9
6	Onions	55,000	2.8
7	Peppers, Chili	49,800	2.5
8	Pecans	45,000	2.3
9	Misc. Vegetables	25,000	1.3
10	Poultry	21,594	1.1
11	Cotton Lint	21,018	1.1
12	Corn	16,499	0.8
13	Potatoes	15,666	0.8
14	Wheat	15,063	0.8
15	Other Livestock	14,000	0.7
	All Others	36,441	1.9
	<b>TOTAL</b>	<b>1,956,977</b>	

1/ Excludes cash receipts for livestock grazing.

## TOP TEN TEXAS COUNTIES a/ – AUGUST 2003

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>
1. Erath	116	92,145,435	- 4.13	7. Deaf Smith	5	13,579,293	+ 13.10
2. Hopkins	160	38,464,145	- 0.31	8. Parmer	5	13,424,687	+ 196.27
3. Comanche	36	32,951,313	- 0.82	9. Bailey	5	10,676,279	+ 12.08
4. Lamb	7	27,986,213	+ 50.63	10. Wood	43	10,527,062	+ 11.49
5. Archer	51	15,941,542	- 8.45	Ten County Total	434	270,979,883	+ 2.39 b/
6. El Paso	6	15,283,914	- 12.60	<u>Other Counties Total</u>	<u>399</u>	<u>146,837,911</u>	<u>+ 12.25</u>
				<b>Texas Total</b>	<b>833</b>	<b>417,817,794</b>	<b>+ 5.65</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 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-----							
June 2002	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
February	13.23	10.66	9.66	9.81	1.76	113.73	2.40	185.38	.00056	104.76	112.99	81.11	16.32
March	12.81	10.54	9.11	9.79	1.99	114.59	2.06	166.48	.00054	105.46	107.80	80.51	15.99
April	12.64	10.44	9.41	9.73	1.78	115.03	- 0.08	180.06	.00055	107.36	109.97	80.30	15.82
May	12.71	10.43	9.71	9.74	1.59	115.12	- 1.44	192.75	.00057	107.43	113.94	80.40	14.50
June	12.74	10.46	9.75	9.76	1.58	115.76	- 2.00	194.34	.00057	107.97	114.64	80.40	13.96
July	12.77	10.63	11.78	9.95	0.23	120.55	- 1.24	254.80	.00067	111.96	134.97	80.72	14.70
August	13.97	10.81	13.80	10.14	- 0.87	125.14	0.26	314.38	.00077	115.78	154.96	81.05	16.15

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

## TOP NEW MEXICO COUNTIES a/ – AUGUST 2003

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>
1. Chaves	39	146,979,975	+ 2.60	7. Socorro	8	17,238,431	+ 8.14
2. Roosevelt	44	106,973,381	+ 10.51	8. Valencia	9	10,531,192	+ 0.03
3. Curry	20	99,125,192	+ 2.23	9. Bernalillo	5	6,023,403	- 2.97
4. Dona Ana	24	73,785,278	- 4.14				
5. Lea	16	45,290,749	+ 6.86	Nine County Total	172	532,065,942	+ 2.50 b/
6. Eddy	7	26,118,341	- 2.12	<u>Other Counties Total</u>	<u>6</u>	<u>15,048,203</u>	<u>+ 10.59</u>
				<b>New Mexico Total</b>	<b>178</b>	<b>547,114,145</b>	<b>+ 2.71</b>

a/ All known Grade "A" milk produced on farms located in New Mexico.

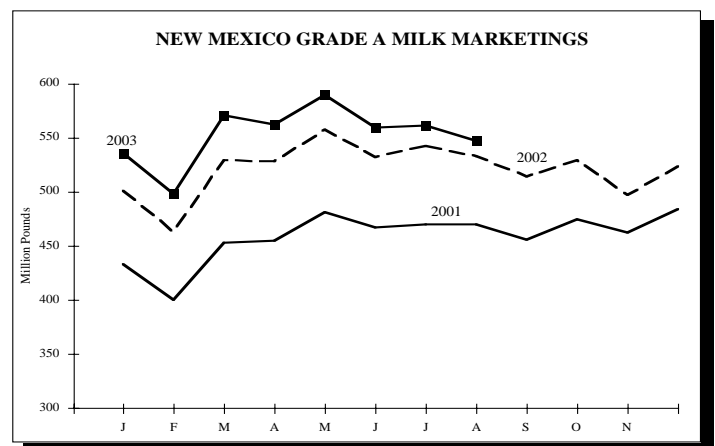
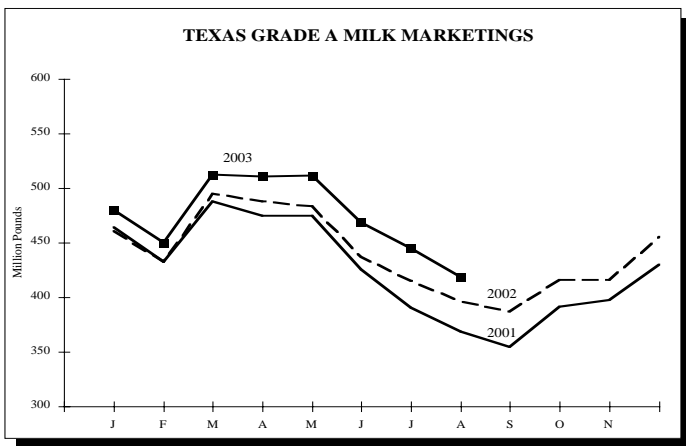
b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2001 THROUGH AUGUST 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	449,362,000	840	-0.08	+ 4.07
March	487,875,678	991	494,608,931	893	512,243,241	841	+1.38	+ 3.57
April	474,386,881	978	487,475,741	889	510,466,950	838	+2.76	+ 4.72
May	474,236,039	962	482,994,330	875	511,474,552	840	+1.85	+ 5.90
June	425,591,909	954	435,698,971	872	468,387,455	838	+2.37	+ 7.50
July	389,996,462	933	414,700,943	862	444,115,237	834	+6.33	+ 7.09
August	367,810,615	919	395,468,644	851	417,817,794	833	+7.52	+ 5.65
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 AUGUST 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	498,218,526	176	+15.76	+ 7.45
March	453,232,150	165	528,830,087	175	570,901,632	177	+16.68	+ 7.96
April	454,980,340	167	528,467,048	175	562,338,380	177	+16.15	+ 6.41
May	480,995,372	169	557,746,887	176	589,176,775	177	+15.96	+ 5.64
June	466,640,323	170	532,178,000	178	559,442,259	177	+14.04	+ 5.12
July	469,362,545	171	542,546,821	176	560,883,275	178	+15.59	+ 3.38
August	469,391,326	174	532,685,705	176	547,114,145	178	+13.48	+ 2.71
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	



The United States Department of Agriculture (USDA) prohibits discrimination in all its programs on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie L. Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an Equal Opportunity provider and employer.

## 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
August 2002	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
February	3.74	3.68	3.08	3.01	5.71	5.69	8.78	8.70	331	289
March	3.70	3.63	3.05	2.99	5.71	5.73	8.76	8.72	343	277
April	3.59	3.56	3.02	2.96	5.73	5.75	8.75	8.70	306	252
May	3.55	3.49	2.98	2.93	5.72	5.75	8.70	8.68	328	251
June	3.57	3.45	2.98	2.92	5.71	5.74	8.69	8.65	368	273
July	3.56	3.44	2.98	2.90	5.69	5.73	8.67	8.63	395	290
August	3.58	3.44	3.01	2.92	5.67	5.70	8.67	8.62	406	306

a/ In thousands.

**AUGUST 2003**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$354,950.51
Class I Butterfat	60(a)	7,950,130	\$1.2154	\$9,662,588.02
Class I Skim Per Cwt		333,338,317	\$10.0700	\$33,567,168.55
Class II Butterfat	60(b)	8,881,420	\$1.2584	\$11,176,378.93
Class II Nonfat Solids		9,090,170	\$0.7378	\$6,706,727.46
Class III Butterfat	60(c)	1,128,547	\$1.2514	\$1,412,263.72
Class III Protein		119,067	\$3.1438	\$374,322.84
Class III Other Solids		225,665	\$0.0026	\$586.74
Class IV Butterfat	60(d)	1,705,394	\$1.2514	\$2,134,130.02
Class IV Nonfat Solids		9,054,004	\$0.6638	\$6,010,047.86
Class II, III & IV Somatic Cell Adj.	60(e)			\$19,639.23
Total Producer Milk-Product Lbs & Value		559,165,266		\$71,418,803.88
Add: Value as for 60(f) Thru 60(j)				\$48,349.25
Less: Total Protein Pounds	61(b)	16,562,381	<b>\$3.1438</b>	\$52,068,813.41
Total Other Solids Pounds		31,835,124	<b>\$0.0026</b>	\$82,771.37
Total Butterfat Pounds		19,665,491	<b>\$1.2514</b>	\$24,609,395.44
Total Value of Somatic Cell Adjustment				\$6,843.81
<b>Total Milk and Value</b>		559,165,266		(\$5,300,670.90)
Add: Location Differential Adjustments	61(c)			\$361,576.01
Producer-Settlement Fund	61(d)			\$346,478.68
<b>Total Producer Milk/URSP and Value</b>		559,264,530	(\$0.82118)	(\$4,592,616.21)
Less: Producer-Settlement Fund	61(f)		\$0.04881	\$272,985.20
<b>Producer Price Differential (Dallas County)</b>			<b>(\$0.87)</b>	<b>(\$4,865,601.41)</b>

**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

PRSRT STD  
 U.S. POSTAGE  
 P A I D  
 Carrollton, TX  
 Permit No. 343

RETURN SERVICE REQUESTED

**AUGUST 2003**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	341,288,447	61.04	7,950,130	40.43	333,338,317	61.79
Class II	110,117,057	19.69	8,881,420	45.16	101,235,637	18.76
Class III	4,971,261	0.89	1,128,547	5.74	3,842,714	0.71
Class IV	102,788,501	18.38	1,705,394	8.67	101,083,107	18.74
Total	559,165,266	100.00	19,665,491	100.00	539,499,775	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,256,949	61.93	19,651,653	61.73	29,908,598	61.80
Class II	3,112,233	18.79	5,977,938	18.78	9,090,170	18.78
Class III	119,067	0.72	225,665	0.71	344,733	0.71
Class IV	3,074,132	18.56	5,979,868	18.78	9,054,004	18.71
Total	16,562,381	100.00	31,835,124	100.00	48,397,505	100.00