

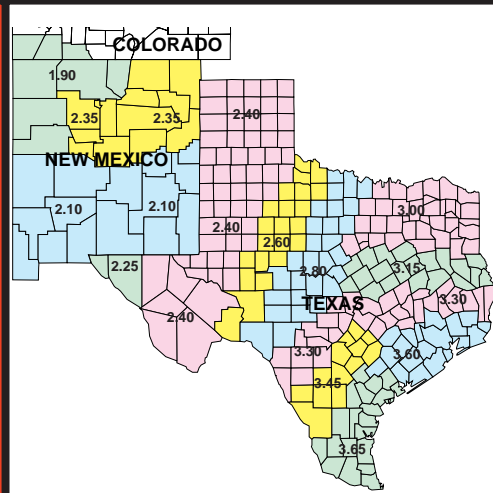
# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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### MARKET SUMMARY FOR JULY

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 \$2.23 for June. Butterfat price decreased \$0.1225 per pound from \$2.1768 in June to the level of \$2.0543 in July. Protein price decreased \$0.7461 per pound from \$3.1068 in June to \$2.3625 in July. July's Other Solids price decreased \$0.0291 per pound from \$0.1339 in June to \$0.1048 in July. The Somatic Cell Count adjustment rate factor for July was .00078 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a July statistical uniform price of \$17.08 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 \$2.32 in comparison to the statistical blend price of \$19.04 in June.

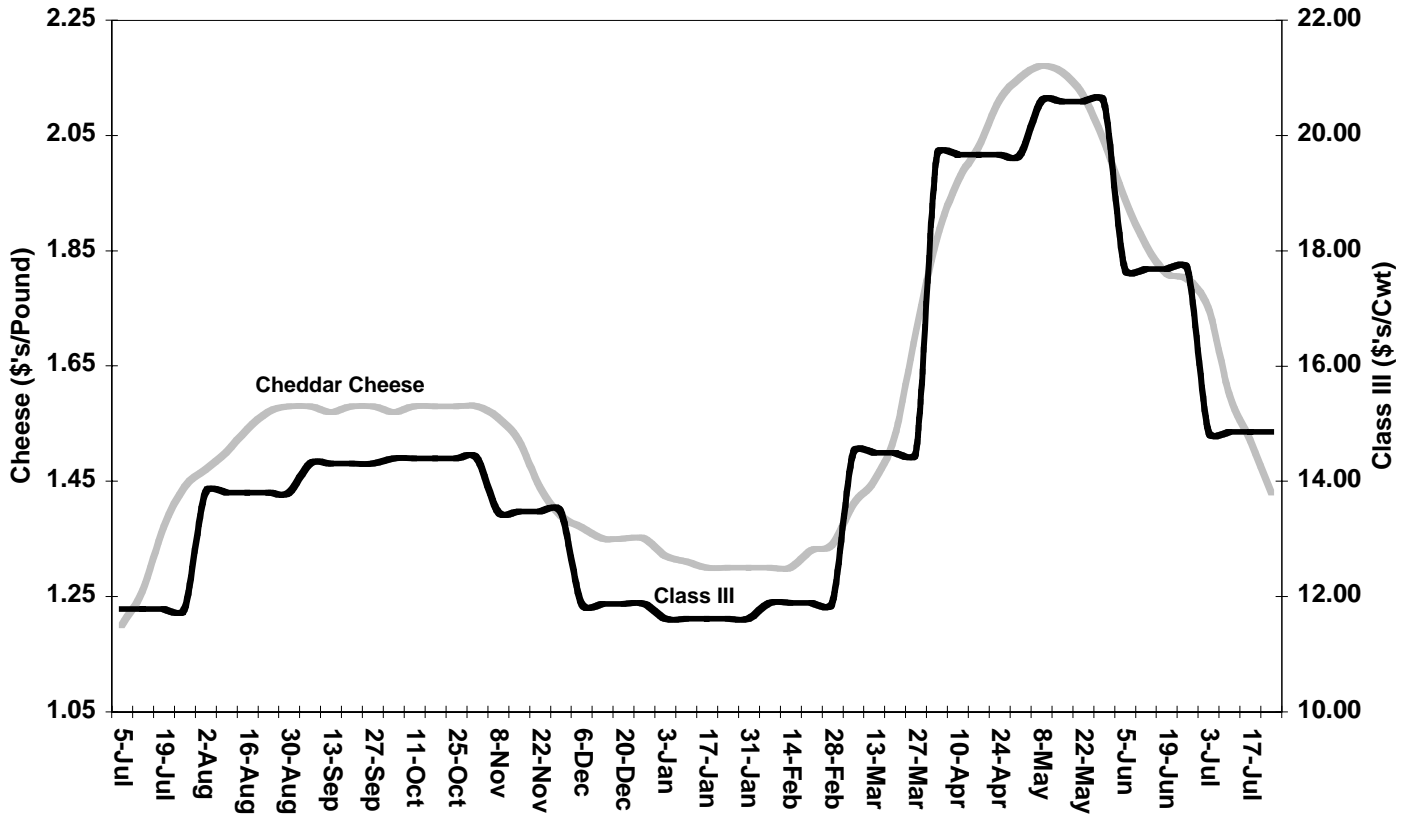
The July Class I price decreased \$3.18 from \$24.13 in June to the July level of \$20.95. The Class II price for July of \$14.00 per hundredweight decreased \$0.31 from \$14.31 in June. July's Class III price decreased \$2.83 from \$17.68 in June to \$14.85 in July. The Class IV price decreased \$0.41 from \$13.72 in June to \$13.31 in July.

In July 954 producers delivered a total of 874,968,284 pounds of milk. On a daily basis this represents an increase of 8.85 percent from the producer receipts level in June and it represents an increase of 46.96 percent when compared to the producer receipts level of July 2003.

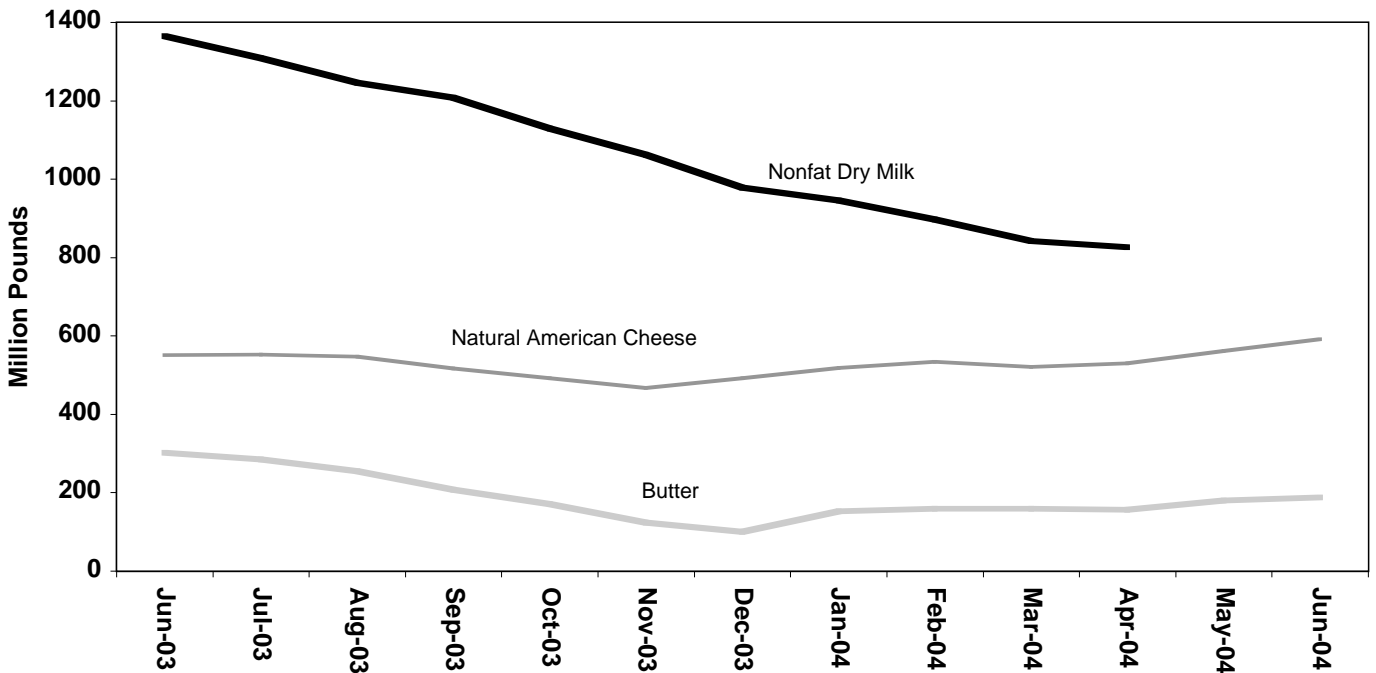
Producer milk classified as Class I during July amounted to 37.56 percent of total producer receipts. This figure is down from 40.37 percent in June and it is down from 54.61 percent in July 2003. The average butterfat test of producer milk pooled during July was 3.512 percent, average protein test was 2.956 percent, average other solids test was 5.718 percent and the average somatic cell count was 324,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jul 04	Jun 04	Jul 04	Jun 04	Jul 04	Jun 04
Appalachian	18.94	20.54	-----	-----	67.28	60.87
Arizona-Las Vegas	16.19	17.97	-----	-----	32.39	28.74
Central	16.03	18.23	1.18	0.55	27.08	26.00
Florida	21.01	22.93	-----	-----	87.81	78.42
Mideast	16.55	18.56	1.70	0.88	35.00	30.50
Northeast	17.64	19.70	2.79	2.02	43.40	45.80
Pacific Northwest	15.74	17.45	0.89	(0.23)	26.74	27.70
Southeast	19.10	20.11	-----	-----	68.71	53.56
<b>Southwest</b>	<b>17.08</b>	<b>19.40</b>	<b>2.23</b>	<b>1.72</b>	<b>37.56</b>	<b>40.37</b>
Upper Midwest	15.57	17.98	0.72	0.30	16.10	15.90

**NASS 40#Block Cheddar Cheese U.S. Prices and Class III Prices for July 03 to July 04**



**Total Dairy Product Storage Holdings June 03 - June 04**



## TOP TEN TEXAS COUNTIES a/ – JULY 2004

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>
1. Erath	113	99,883,351	+ 3.06	7. Castro	7	20,048,747	+ 122.89
2. Hopkins	149	40,687,027	- 3.85	8. Parmer	5	18,344,804	+ 38.24
3. Comanche	32	36,502,832	+ 7.77	9. Archer	53	18,022,541	+ 0.84
4. Lamb	8	30,930,350	+ 11.01	10. El Paso	5	13,848,162	- 19.92
5. Hale	4	20,204,392	+ 159.50	Ten County Total	382	318,532,622	+ 11.59 b/
6. Deaf Smith	6	20,060,416	+ 50.77	<u>Other Counties Total</u>	<u>417</u>	<u>172,485,512</u>	<u>+ 8.70</u>
				<b>Texas Total</b>	<b>799</b>	<b>491,018,134</b>	<b>+ 10.56</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-----							
May 2003	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
September	16.71	10.76	14.30	10.05	0.18	122.18	1.70	331.80	.00080	113.32	159.40	81.11	17.55
October	17.27	10.84	14.39	10.16	0.50	125.53	3.11	328.15	.00080	116.11	159.36	81.09	18.92
November	17.37	10.99	13.47	10.30	1.06	128.77	3.68	292.67	.00075	118.81	149.41	81.30	19.47
December	16.84	11.30	11.87	10.52	1.99	136.88	3.62	229.97	.00066	125.57	132.60	80.70	19.41
Averages 2003 b/	14.39	10.76	11.42	10.00	1.16	120.99	1.29	237.70	.00065	111.94	130.31	80.90	16.67
January 2004	14.85	11.67	11.61	10.97	1.68	149.78	2.17	208.75	.00065	136.32	130.23	80.62	18.01
February	14.59	12.90	11.89	12.21	1.78	185.18	0.90	179.11	.00066	165.82	132.60	80.64	16.77
March	14.94	14.79	14.49	14.10	0.73	238.13	2.34	201.33	.00078	209.94	156.80	81.01	18.17
April	16.64	15.21	19.66	14.57	- 3.48	250.13	10.42	344.65	.00103	219.94	205.20	81.71	26.02
May	22.65	15.03	20.58	14.50	- 1.91	242.82	14.44	376.39	.00106	213.85	212.66	83.83	29.92
June	24.13	14.31	17.68	13.72	1.72	217.68	13.39	310.86	.00092	192.90	184.11	84.97	28.90
July	20.95	14.00	14.85	13.31	2.23	205.43	10.48	236.25	.00078	182.69	156.95	85.13	26.07

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

## TOP NEW MEXICO COUNTIES a/ – JULY 2004

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>
1. Chaves	42	158,012,871	+ 2.14	7. Valencia	9	15,882,403	+ 49.70
2. Curry	23	108,580,876	+ 11.26	8. Socorro	7	11,426,285	- 31.25
3. Roosevelt	43	108,504,168	+ 4.26	9. Sierra	3	7,943,311	+ 28.06
4. Dona Ana	24	85,310,733	+ 5.13	10. Bernalillo	4	5,557,979	- 8.42
5. Lea	15	33,704,431	- 26.94	Ten County Total	177	563,814,408	+ 2.37 b/
6. Eddy	7	28,891,351	+ 4.66	<u>Other Counties Total</u>	<u>4</u>	<u>10,085,143</u>	<u>- 0.54</u>
				<b>New Mexico Total</b>	<b>181</b>	<b>573,899,551</b>	<b>+ 2.32</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 2002 THROUGH JULY 2004, WITH PRODUCTION PERCENTAGE COMPARISONS**

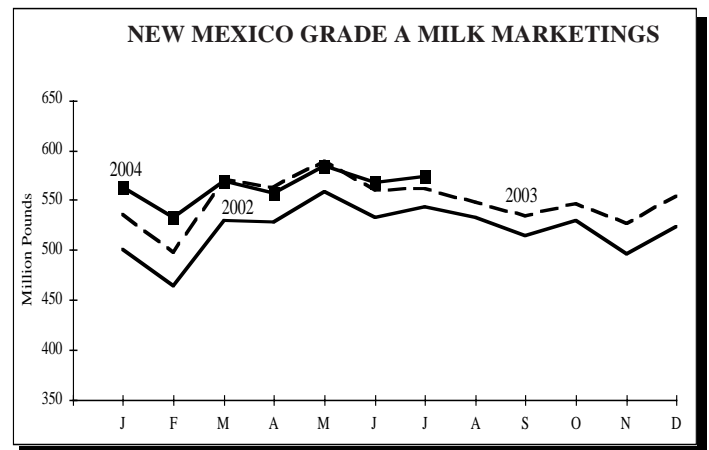
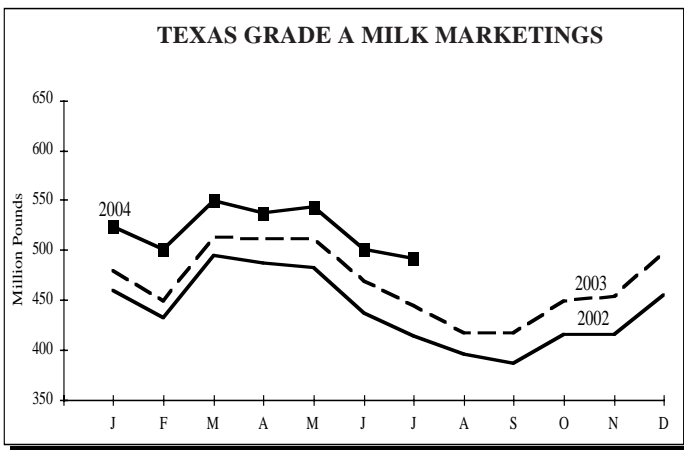
MONTH	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	PERCENT CHANGE 2003/02	2004/03
January	459,850,238	897	480,011,354	845	523,723,796	816	+ 4.38	+ 9.11
February	431,807,361	894	449,362,000	840	501,204,456	819	+ 4.07	+ 7.69*
March	494,608,931	893	512,243,241	841	548,941,459	814	+ 3.57	+ 7.16
April	487,475,741	889	510,466,950	838	537,141,283	803	+ 4.72	+ 5.23
May	482,994,330	875	511,474,552	840	543,408,997	801	+ 5.90	+ 6.24
June	435,698,971	872	468,387,455	838	500,319,580	803	+ 7.50	+ 6.82
July	414,700,943	862	444,115,237	834	491,018,134	799	+ 7.09	+ 10.56
August	395,468,644	851	417,817,794	833			+ 5.65	
September	386,732,687	859	416,649,423	836			+ 7.74	
October	415,984,319	846	449,267,689	835			+ 8.00	
November	415,537,665	847	453,593,349	826			+ 9.16	
December	<u>454,863,992</u>	843	<u>497,718,548</u>	815			<u>+ 9.42</u>	
Years Total	5,275,723,822		5,611,107,592				+ 6.36	

\* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2002 THROUGH JULY 2004, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	PERCENT CHANGE 2003/02	2004/03
January	501,275,998	174	535,741,056	177	562,516,031	178	+ 6.66	+ 5.00
February	463,667,936	173	498,218,526	176	532,156,355	176	+ 7.45	+ 3.13*
March	528,830,087	175	570,901,632	177	568,504,219	178	+ 7.96	- 0.42
April	528,467,048	175	562,338,380	177	557,482,116	176	+ 6.41	- 0.86
May	557,746,887	176	589,176,775	177	583,379,003	177	+ 5.64	- 0.98
June	532,178,000	178	559,442,259	177	567,036,025	177	+ 5.12	+ 1.36
July	542,546,821	176	560,883,275	178	573,899,551	181	+ 3.38	+ 2.32
August	532,685,705	176	547,114,145	178			+ 2.71	
September	513,773,496	178	533,648,709	180			+ 3.87	
October	529,524,800	178	546,904,202	178			+ 3.28	
November	496,802,059	178	526,000,891	176			+ 5.88	
December	<u>523,409,272</u>	178	<u>553,271,605</u>	179			<u>+ 5.71</u>	
Years Total	6,250,908,109		6,583,641,455				+ 5.32	

\* 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
July 2003	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
September	3.65	3.50	3.09	3.01	5.68	5.72	8.77	8.72	389	278
October	3.73	3.58	3.13	3.07	5.67	5.70	8.81	8.78	366	272
November	3.75	3.64	3.15	3.11	5.69	5.71	8.83	8.82	333	248
December	3.78	3.68	3.15	3.10	5.72	5.72	8.87	8.83	305	246
Averages 2003	3.66	3.57	3.06	3.00	5.70	5.72	8.76	8.72	351	275
January 2004	3.77	3.66	3.11	3.06	5.72	5.72	8.83	8.78	300	253
February	3.76	3.64	3.11	3.05	5.73	5.74	8.84	8.79	302	262
March	3.68	3.58	3.06	3.02	5.72	5.72	8.78	8.74	318	280
April	3.64	3.53	3.05	2.99	5.73	5.74	8.77	8.73	311	292
May	3.59	3.43	3.02	2.94	5.70	5.71	8.72	8.66	316	262
June	3.57	3.40	3.00	2.92	5.70	5.72	8.70	8.64	326	247
July	3.59	3.43	3.01	2.91	5.69	5.73	8.71	8.63	377	286

a/ In thousands.

**JULY 2004**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$192,999.05
Class I Butterfat	60(a)	7,898,372	\$2.1388	\$16,893,038.02
Class I Skim Per Cwt		320,697,809	\$13.9500	\$44,737,344.37
Class II Butterfat	60(b)	9,814,067	\$2.0613	\$20,229,736.34
Class II Nonfat Solids		10,561,497	\$0.7811	\$8,249,585.33
Class III Butterfat	60(c)	8,268,011	\$2.0543	\$16,984,975.01
Class III Protein		6,185,136	\$2.3625	\$14,612,283.82
Class III Other Solids		12,061,945	\$0.1048	\$1,264,091.85
Class IV Butterfat	60(d)	4,749,193	\$2.0543	\$9,756,267.21
Class IV Nonfat Solids		18,186,925	\$0.7042	\$12,807,232.60
Class II, III & IV Somatic Cell Adj.	60(e)			\$168,613.41
Total Producer Milk-Product Lbs & Value		874,968,284		\$145,896,267.01
Add: Value as for 60(f) Thru 60(j)				\$118,207.43
Less: Total Protein Pounds	61(b)	25,864,593	<b>\$2.3625</b>	\$61,105,101.02
Total Other Solids Pounds		50,036,039	<b>\$0.1048</b>	\$5,243,776.91
Total Butterfat Pounds		30,729,643	<b>\$2.0543</b>	\$63,127,905.61
Total Value of Somatic Cell Adjustment				\$178,602.50
<b>Total Milk and Value</b>		874,968,284		\$16,359,088.40
Add: Location Differential Adjustments	61(c)			\$3,154,936.97
Producer-Settlement Fund	61(d)			\$413,455.34
<b>Total Producer Milk/URSP and Value</b>		874,968,284	\$2.27750	\$19,927,480.71
Less: Producer-Settlement Fund	61(f)		\$0.04750	\$415,687.98
<b>Producer Price Differential (Dallas County)</b>			<b>\$2.23</b>	\$19,511,792.73

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**JULY 2004**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	328,596,181	37.56	7,898,372	25.70	320,697,809	37.99
Class II	126,933,831	14.51	9,814,067	31.94	117,119,764	13.87
Class III	212,272,131	24.25	8,268,011	26.91	204,004,120	24.16
Class IV	207,166,141	23.68	4,749,193	15.45	202,416,948	23.98
Total	874,968,284	100.00	30,729,643	100.00	844,238,641	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	9,901,581	38.29	19,003,548	37.98	28,905,129	38.09
Class II	3,624,018	14.01	6,937,481	13.86	10,561,497	13.91
Class III	6,185,136	23.91	12,061,945	24.11	18,247,083	24.04
Class IV	6,153,858	23.79	12,033,065	24.05	18,186,923	23.96
Total	25,864,593	100.00	50,036,039	100.00	75,900,632	100.00