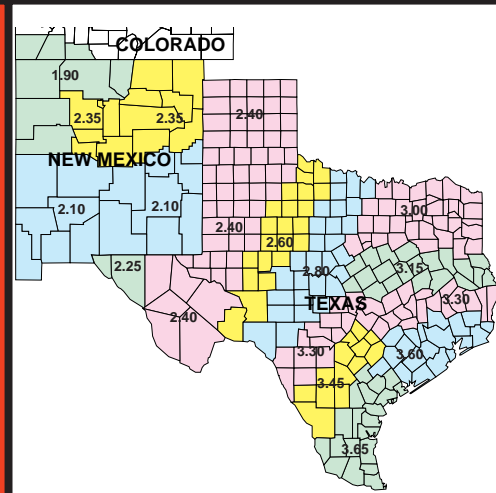


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR APRIL

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 (\$3.48) for April. Butterfat price increased \$0.1200 per pound from \$2.3813 in March to the level of \$2.5013 in April. Protein price increased \$1.4332 per pound from \$2.0133 in March to \$3.4465 in April. April's Other Solids price increased \$0.0808 per pound from \$0.0234 in March to \$0.1042 in April. The Somatic Cell Count adjustment rate factor for April was .00103 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an April statistical uniform price of \$16.18 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 \$0.96 in comparison to the statistical blend price of \$15.22 in March.

The April Class I price increased \$1.70 from \$14.94

in March to the April level of \$16.64. The Boston Class I price of \$16.89 produced a dairy deficiency payment of \$0.02 for April. The Class II price for April of \$15.21 per hundredweight increased \$0.42 from \$14.79 in March. April's Class III price increased \$5.17 from \$14.49 in March to \$19.66 in April. The Class IV price increased \$0.47 from \$14.10 in March to \$14.57 in April.

In April 858 producers delivered a total of 634,095,739 pounds of milk. On a daily basis this represents an increase of 8.94 percent from the producer receipts level in March but it represents a decrease of 32.02 percent when compared to the producer receipts level of April 2003.

Producer milk classified as Class I during April amounted to 55.24 percent of total producer receipts. This figure is down from 58.74 percent in March but it is up from 36.67 percent in April 2003. The average butterfat test of producer milk pooled during April was 3.616 percent, average protein test was 3.031 percent, average other solids test was 5.738 percent and the average somatic cell count was 297,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 04	Mar 04	Apr 04	Mar 04	Apr 04	Mar 04
Appalachian	16.76	15.80	-----	-----	76.38	76.20
Arizona-Las Vegas	17.29	14.69	-----	-----	32.67	32.35
Central	15.64	14.63	(4.02)	0.14	60.62	53.77
Florida	17.74	16.48	-----	-----	90.57	83.01
Mideast	15.88	14.68	(3.78)	0.19	62.30	44.50
Northeast	17.28	15.56	(2.38)	1.07	48.50	44.60
Pacific Northwest	15.34	14.55	(4.32)	0.06	43.24	31.61
Southeast	16.72	15.61	-----	-----	69.46	61.15
<b>Southwest</b>	<b>16.18</b>	<b>15.22</b>	<b>(3.48)</b>	<b>0.73</b>	<b>55.24</b>	<b>58.74</b>
Upper Midwest	15.55	14.70	(4.11)	0.21	62.80	58.70

## MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS AND CALIFORNIA, 2003 ANNUAL AVERAGES, WITH COMPARISONS

For 2003, mailbox prices for selected reporting areas in Federal milk orders averaged \$12.28 per cwt., \$0.37 higher than the all-area average reported for 2002. On an individual reporting area basis, mailbox prices averaged higher in 2003 than in 2002 in all areas except three. Florida had the highest average price in 2003, \$14.97; Utah had the lowest average, \$11.02. During the year, mailbox prices generally decreased from January through June, then increased through October, and then decreased slightly through the end of the year, ending the year substantially higher. Monthly all-area averages ranged from \$10.73 in March to \$14.88 in October.

Reporting Area <sup>1/</sup>	Mailbox Milk Price <sup>2/3/</sup>		Change 2003 from 2002
	2002	2003	
	Dollars per cwt.		
Northeast Milk Order	11.89	12.48	+0.59
Appalachian States <sup>4/</sup>	12.62	12.77	+0.15
Southeast States <sup>5/</sup>	13.19	13.36	+0.17
Southern Missouri <sup>6/</sup>	11.99	12.20	+0.21
Florida	15.22	14.97	- 0.25
Ohio	11.91	12.29	+0.38
Michigan	11.69	12.07	+0.38
Wisconsin	12.02	12.56	+0.54
Minnesota	11.85	12.62	+0.77
Iowa	11.87	12.48	+0.61
Illinois	11.94	12.42	+0.48
Corn Belt States <sup>7/</sup>	11.57	11.81	+0.24
Western Texas <sup>8/</sup>	12.02	11.99	- 0.03
New Mexico	11.05	11.13	+0.08
Idaho	10.88	11.54	+0.66
Utah	10.68	11.02	+0.34
Northwest States <sup>9/</sup>	11.54	11.33	- 0.21
All Market Avg. <sup>10/</sup>	11.91	12.28	+0.37
California <sup>11/</sup>	10.99	11.48	+0.49

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 reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. 3/ All figures are weighted annual averages using the applicable monthly prices and producer milk receipts for the respective area or group of areas for which the price is reported. 4/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 5/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 6/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 7/ Note; figure for 2002 has been revised per 2003 area definition. Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 6/. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Includes Oregon and Washington. 10/ Weighted average of the information for all selected reporting areas in Federal milk orders. 11/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin." Annual average is the simple average of monthly prices.

## NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD APPOINTMENTS

Secretary of Agriculture Ann M. Veneman announced the appointment of three incumbents and five new members to the National Fluid Milk Processor Promotion Board.

Terms for regions 1, 4, 7, 10, 13, At-Large-Processor, and At-Large-Public members begin July 1, 2004, and expire on June 30, 2007. The term for the region 12 member expires June 30, 2006. All appointees will be seated at the summer board meeting July 15-17, 2004.

Re-appointed to serve second terms are: Rachel A. Kylo, Minneapolis, Minn. (Region 7); John D. Robinson, Dallas, Texas (Region 12); and James (J.T.) T. Wilcox, III, Roy, Wash. (Region 13).

Newly appointed are: Michael F. Toughey, Franklin, Mass. (Region 1); R. Bruce Matson, Newport News, Va. (Region 4); Robert M. McCullough, San Antonio, Texas (Region 10); Randy D. Mooney, Kansas City, Mo. (At-Large Processor); and Patricia C. Romero, Irvine, Calif. (At-Large Public).

The National Fluid Milk Processor Promotion Board is composed of 15 fluid milk processors from 15 geographic regions, and five at-large members. At least three at-large members must be fluid milk processors and at least one must be from the general public.

The national fluid milk program is financed by a mandatory 20-cent per hundredweight assessment on all fluid milk processed and marketed commercially in consumer-type packages in the contiguous 48 states and the District of Columbia. Processors who commercially process and market 3,000,000 pounds or less per month, excluding those fluid milk products delivered to the residence of a consumer, are exempt from assessments.

## USDA ANNOUNCES INTERIM ORDER TO AMEND ALL FEDERAL MILK ORDERS

The U. S. Department of Agriculture has issued an interim order amending the current classification of milk provisions of all Federal milk marketing orders. USDA determined dairy farmers' approval by polling cooperative associations in eight of the marketing areas and by conducting referenda in the Northeast and Mideast marketing areas.

This interim order reclassifies milk used to produce evaporated milk in consumer-type packages or sweetened condensed milk in consumer-type packages from Class III to Class IV. These interim amendments to the orders will become effective on May 1, 2004.

## TOP TEN TEXAS COUNTIES a/ – APRIL 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	115	111,623,688	- 3.08	7. Deaf Smith	6	18,658,951	+ 30.59
2. Hopkins	153	48,274,200	- 7.31	8. Hale	4	18,504,096	+ 131.19
3. Comanche	33	40,735,840	- 2.39	9. Parmer	5	17,985,406	+ 50.12
4. Lamb	8	29,877,998	+ 10.94	10. El Paso	5	16,702,119	- 20.84
5. Archer	52	20,346,994	- 0.29	Ten County Total	388	342,155,264	+ 3.21 b/
6. Castro	7	19,445,972	+ 246.97	Other Counties Total	415	194,986,019	+ 8.96
				<b>Texas Total</b>	<b>803</b>	<b>537,141,283</b>	<b>+ 5.23</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-----							
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
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

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

## TOP NEW MEXICO COUNTIES a/ – APRIL 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	38	154,816,152	- 0.47	7. Valencia	9	15,330,182	+ 48.81
2. Roosevelt	43	102,906,477	+ 0.65	8. Socorro	7	11,037,453	- 32.56
3. Curry	22	99,743,965	+ 5.24	9. Sierra	3	7,359,855	+ 23.41
4. Dona Ana	23	87,944,210	+ 2.96				
5. Lea	15	34,856,862	- 24.04	Nine County Total	168	543,008,416	- 0.65 b/
6. Eddy	8	29,013,260	- 3.51	Other Counties Total	8	14,473,700	- 9.20
				<b>New Mexico Total</b>	<b>176</b>	<b>557,482,116</b>	<b>- 0.86</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 APRIL 2004, WITH PRODUCTION PERCENTAGE COMPARISONS**

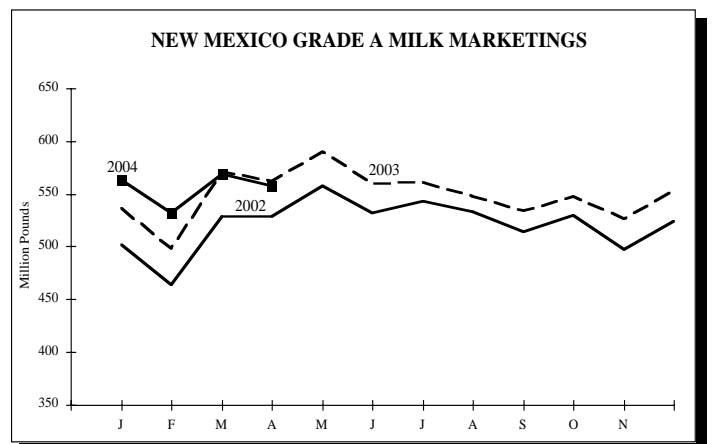
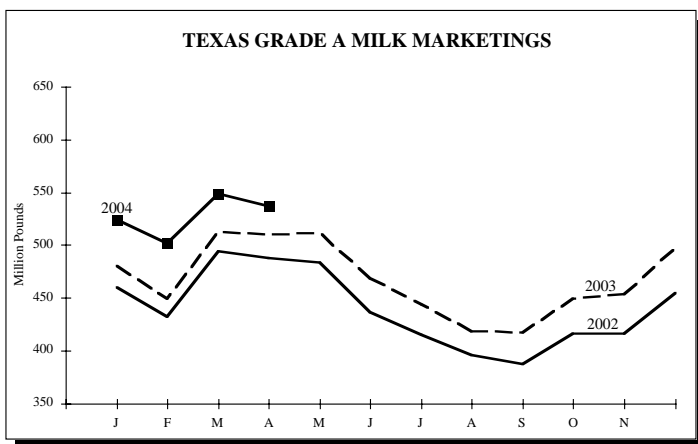
MONTH	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	PERCENT CHANGE 2003/02	2004/03
January	459,850,238	897	480,011,354	845	523,723,796	816	+ 4.38	+ 9.11
February	431,807,361	894	449,362,000	840	501,204,456	819	+ 4.07	+ 7.69*
March	494,608,931	893	512,243,241	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			+ 5.90	
June	435,698,971	872	468,387,455	838			+ 7.50	
July	414,700,943	862	444,115,237	834			+ 7.09	
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 APRIL 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			+ 5.64	
June	532,178,000	178	559,442,259	177			+ 5.12	
July	542,546,821	176	560,883,275	178			+ 3.38	
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
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
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

a/ In thousands.

**APRIL 2004**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$236,925.97
Class I Butterfat	60(a)	8,068,248	\$2.2825	\$18,415,776.09
Class I Skim Per Cwt		342,201,411	\$8.9600	\$30,661,246.43
Class II Butterfat	60(b)	8,781,003	\$2.5083	\$22,025,389.85
Class II Nonfat Solids		9,993,222	\$0.7400	\$7,394,984.28
Class III Butterfat	60(c)	1,371,157	\$2.5013	\$3,429,675.03
Class III Protein		464,116	\$3.4465	\$1,599,575.81
Class III Other Solids		868,366	\$0.1042	\$90,483.73
Class IV Butterfat	60(d)	4,714,469	\$2.5013	\$11,792,301.29
Class IV Nonfat Solids		13,177,921	\$0.6703	\$8,833,160.44
Class II, III & IV Somatic Cell Adj.	60(e)			\$141,767.52
Total Producer Milk-Product Lbs & Value		634,095,739		\$104,621,286.44
Add: Value as for 60(f) Thru 60(j)				\$188,205.66
Less: Total Protein Pounds	61(b)	19,223,106	<b>\$3.4465</b>	\$66,252,434.87
Total Other Solids Pounds		36,384,778	<b>\$0.1042</b>	\$3,791,293.89
Total Butterfat Pounds		22,934,877	<b>\$2.5013</b>	\$57,367,007.85
Total Value of Somatic Cell Adjustment				\$343,273.65
<b>Total Milk and Value</b>		634,095,739		(\$22,944,518.16)
Add: Location Differential Adjustments	61(c)			\$857,347.36
Producer-Settlement Fund	61(d)			\$282,869.49
<b>Total Producer Milk/URSP and Value</b>		634,095,739	(\$3.43864)	(\$21,804,301.31)
Less: Producer-Settlement Fund	61(f)		\$0.04135	\$262,230.41
<b>Producer Price Differential (Dallas County)</b>			<b>(\$3.48)</b>	(\$22,066,531.72)

**THE MARKET ADMINISTRATOR'S**  
***REPORT***

**SOUTHWEST MARKETING AREA**  
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**APRIL 2004**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	350,269,659	55.24	8,068,248	35.18	342,201,411	55.99
Class II	118,391,383	18.67	8,781,003	38.29	109,610,380	17.93
Class III	16,004,018	2.52	1,371,157	5.97	14,632,861	2.40
Class IV	149,430,679	23.57	4,714,469	20.56	144,716,210	23.68
Total	634,095,739	100.00	22,934,877	100.00	611,160,862	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,751,820	55.94	20,352,436	55.93	31,104,261	55.93
Class II	3,470,140	18.05	6,523,083	17.93	9,993,222	17.97
Class III	464,116	2.41	868,366	2.39	1,332,480	2.40
Class IV	4,537,030	23.60	8,640,893	23.75	13,177,921	23.70
Total	19,223,106	100.00	36,384,778	100.00	55,607,884	100.00