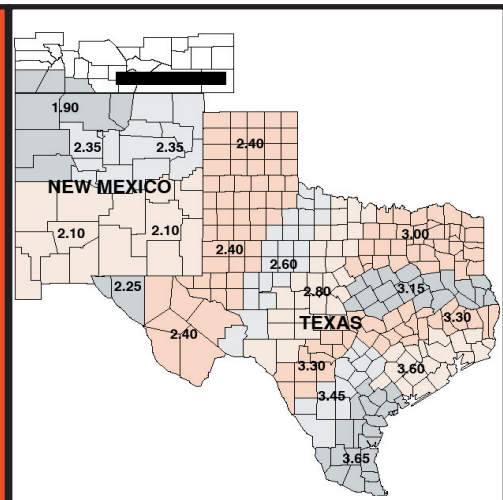


# THE MARKET ADMINISTRATOR'S

# 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 \$1.40 for September. Butterfat price increased \$0.0626 per pound from \$1.8246 in August to the level of \$1.8872 in September. Protein price increased \$0.1390 per pound from \$2.1619 in August to \$2.3009 in September. September's Other Solids price increased \$0.0094 per pound from \$0.1317 in August to \$0.1411 in September. The Somatic Cell Count adjustment rate factor for September was .00075 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 \$15.70 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is the same price as the August statistical uniform price.

The September Class I price decreased \$0.74 from \$17.44 in August to the September level of \$16.70. The Class II price for September of \$14.35 per hundredweight increased \$0.40 from \$13.95 in August. September's Class III price increased \$0.70 from \$13.60 in August to \$14.30 in September. The Class IV price increased \$0.31 from \$13.44 in August to \$13.75 in September.

In September 817 producers delivered a total of 766,793,711 pounds of milk. On a daily basis this represents a decrease of 3.48 percent from the producer receipts level in August but it represents an increase of 3.08 percent when compared to the producer receipts level of September 2004.

Producer milk classified as Class I during September amounted to 46.97 percent of total producer receipts. This figure is up from 43.92 percent in August but it is down from 47.88 percent in September 2004. The average butterfat test of producer milk pooled during September was 3.614 percent, average protein test was 3.010 percent, average other solids test was 5.702 percent and the average somatic cell count was 309,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Sep 05	Aug 05	Sep 05	Aug 05	Sep 05	Aug 05
Appalachian	16.37	16.65	-----	-----	72.46	71.41
Arizona-Las Vegas	15.02	14.86	-----	-----	39.64	37.50
Central	14.75	14.49	0.45	0.89	31.04	28.60
Florida	17.47	17.87	-----	-----	88.67	87.63
Mideast	14.94	14.94	0.64	1.34	40.30	39.30
Northeast	15.92	15.84	1.62	2.24	49.50	43.50
Pacific Northwest	14.50	14.38	0.20	0.78	29.38	26.00
Southeast	16.32	16.44	-----	-----	69.87	66.69
<b>Southwest</b>	<b>15.70</b>	<b>15.70</b>	<b>1.40</b>	<b>2.10</b>	<b>46.97</b>	<b>43.92</b>
Upper Midwest	14.59	14.15	0.29	0.55	18.90	17.50

## JULY FLUID MILK SALES

During July, about 4.3 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.5 percent lower than July 2004. After adjusting for calendar composition, sales in July 2005 were unchanged from July 2004. On an individual product basis, after adjusting for calendar composition, sales of reduced fat (2%) milk, low fat (1%) milk, and fat-free (skim) milk increased from July 2004, while sales of whole milk, flavored whole milk, flavored fat-reduced (2%) milk, and buttermilk decreased from a year earlier.

**Editors Note:** Additional data can be found at <http://www.ams.usda.gov/dyfmoms/mib/in-areasales.htm>

### ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS JULY 2005, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	July	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,414	9,909	- 5.0	- 4.3
Flavored Whole Milk	58	429	- 12.6	- 15.6
Reduced Fat Milk (2%)	1,455	10,141	- 1.3	0.1
Low Fat Milk (1%)	496	3,663	0.1	2.3
Fat-Free Milk (Skim)	651	4,625	- 0.2	2.3
Flavored Fat-Reduced Milk	149	2,042	- 2.9	5.0
Buttermilk	42	299	- 4.2	- 3.9
Total Fluid Milk Products 3/	4,278	31,202	- 2.5	- 0.8
Total Fluid Milk Products Adjusted 3/ 4/	4,324	31,297	0.0	0.2

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an adjusted basis; see 4/ There were significant revisions to previous year data and April 2005 data for California. 3/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 4/ Sales volumes and percent changes have been adjusted for calendar composition; see [http://www.ams.usda.gov/dyfmoms/mib/clndr\\_comp\\_rpt.pdf](http://www.ams.usda.gov/dyfmoms/mib/clndr_comp_rpt.pdf)

### PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS AND CALIFORNIA, JULY 2005, WITH COMPARISONS 1/

Area (Order Number)	Sales		Change from: 2/	
	July	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Northeast (001)	748	5,454	- 4.7	- 1.5
Appalachian (005)	276	1,983	- 3.4	- 1.2
Southeast (007)	376	2,759	- 0.8	1.3
Florida (006)	236	1,730	- 0.3	2.1
Mideast (033)	487	3,568	- 4.0	- 1.3
Upper Midwest (030)	348	2,527	0.8	1.3
Central (032)	349	2,625	- 5.3	- 1.5
Southwest (126)	333	2,420	0.4	0.1
Arizona-Las Vegas (131) 3/	101	721	4.0	1.4
Pacific Northwest (124)	169	1,226	- 2.7	- 1.1
California (---) 4/	511	3,693	- 1.5	- 0.2

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 3/ above for products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis; see 4/ above. 3/ The in-area sales data for this order does not include all the sales in the marketing area due to the reporting exemption of fluid milk processors located in Clark County, Nevada. 4/ There were significant revisions to previous year data and April 2005 data for California.

**SOURCE:** Monthly reports filed by milk processors subject to provisions of the applicable Federal milk order, AMS, USDA, and California Dairy Information Bulletin, California Agricultural Statistics Service and Milk Stabilization Branch.

**TOP TEN TEXAS COUNTIES a/ – SEPTEMBER 2005**

County	Number of Producers	Pounds	% Change From 2004b/	County	Number of Producers	Pounds	% Change From 2004b/
1. Erath	108	89,080,207	- 3.65	7. Deaf Smith	7	20,795,206	+ 13.96
2. Hopkins	143	38,636,011	+ 8.18	8. Bailey	7	20,601,625	+ 59.05
3. Comanche	35	36,805,948	+ 6.87	9. Parmer	6	20,165,764	+ 18.26
4. Lamb	8	32,127,053	+ 7.96	10. Hartley	5	20,040,019	+ 117.80
5. Castro	8	26,761,513	+ 38.40	Ten County Total	332	331,453,947	+ 12.15 b/
6. Hale	5	26,440,601	+ 34.37	Other Counties Total	440	151,718,545	+ 0.07
				<b>Texas Total</b>	<b>772</b>	<b>483,172,492</b>	<b>+ 8.05</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.					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	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
August	17.62	13.13	14.04	12.46	1.45	179.41	6.76	246.63	.00076	161.01	151.67	85.84	22.46
September	16.94	13.66	14.72	13.00	1.03	193.54	5.89	254.31	.00079	172.78	158.67	86.39	21.62
October	17.78	13.57	14.16	12.81	1.52	190.20	6.77	238.14	.00076	170.00	152.56	85.65	22.47
November	17.29	14.09	14.89	13.34	0.99	204.89	8.00	242.97	.00079	182.24	158.86	85.70	23.67
December	17.43	13.98	16.14	13.42	- 0.47	203.66	8.58	284.86	.00086	181.22	171.46	87.13	24.23
Averages 2004 b/	17.98	13.86	15.39	13.20	0.61	205.07	7.51	260.35	.00082	182.39	164.31	84.05	23.19
January 2005	19.65	13.04	14.14	12.52	1.90	173.30	8.99	253.00	.00076	155.92	151.65	89.06	24.63
February	16.79	13.36	14.70	12.74	0.54	177.54	9.15	266.13	.00079	159.45	157.11	89.90	24.78
March	18.43	13.25	14.08	12.66	1.71	172.79	9.51	250.19	.00075	155.49	150.61	90.83	25.13
April	17.13	13.24	14.61	12.61	0.67	169.64	10.20	270.55	.00078	152.87	155.90	91.56	25.80
May	17.80	12.78	13.77	12.20	1.33	154.75	10.43	259.65	.00074	140.46	147.65	92.89	26.03
June	16.62	13.06	13.92	12.33	0.95	159.32	11.39	257.41	.00074	144.27	148.45	92.59	26.96
July	16.89	13.79	14.35	13.17	1.09	180.07	12.40	245.58	.00076	161.56	151.56	93.89	27.94
August	17.44	13.95	13.60	13.44	2.10	182.46	13.17	216.19	.00072	163.55	143.22	96.01	28.69
September	16.70	14.35	14.30	13.75	1.40	188.72	14.11	230.09	.00075	168.77	149.58	97.05	29.60

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

**TOP NEW MEXICO COUNTIES a/ – SEPTEMBER 2005**

County	Number of Producers	Pounds	% Change From 2004b/	County	Number of Producers	Pounds	% Change From 2004b/
1. Chaves	41	153,335,871	+ 2.72	7. Valencia	8	15,016,714	- 3.18
2. Roosevelt	40	106,431,138	+ 3.88	8. Socorro	8	13,870,174	+ 29.82
3. Curry	24	103,961,651	+ 1.78	9. Sierra	3	7,337,248	+ 0.73
4. Dona Ana	24	83,951,755	+ 3.50	10. Bernalillo	4	5,030,139	- 1.93
5. Lea	14	38,554,887	+ 25.77	Ten County Total	171	550,232,765	+ 3.58 b/
6. Eddy	5	22,743,188	- 15.66	Other Counties Total	5	10,447,532	+ 10.76
				<b>New Mexico Total</b>	<b>176</b>	<b>560,680,297</b>	<b>+ 3.71</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 2003 THROUGH SEPTEMBER 2005, WITH PRODUCTION PERCENTAGE COMPARISONS**

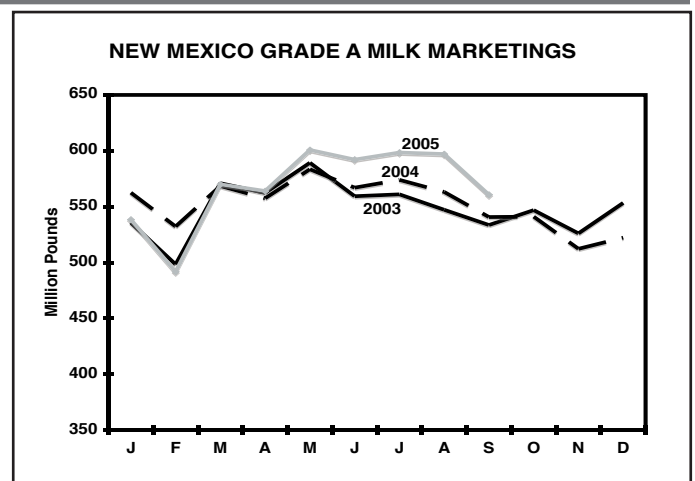
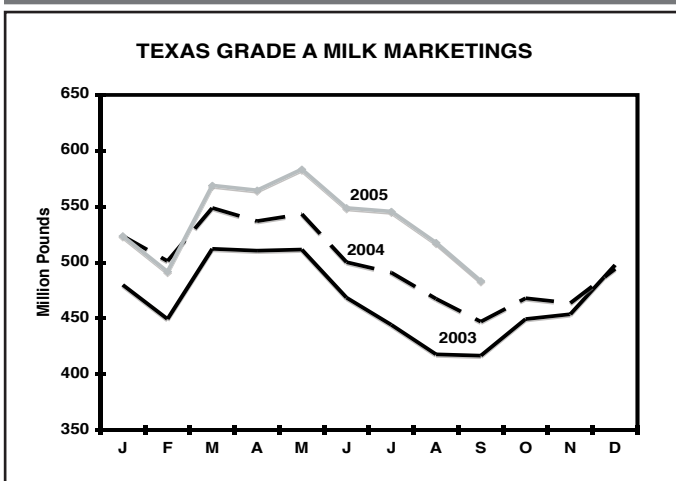
MONTH	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	PERCENT 2004/03	CHANGE 2005/04
January	480,011,354	845	523,723,796	816	523,680,970	778	+ 9.11	- 0.01
February	449,362,000	840	501,204,456	819	491,841,542	767	+ 7.69*	+ 1.64*
March	512,243,241	841	548,941,459	814	569,021,475	771	+7.16	+ 3.66
April	510,466,950	838	537,141,283	803	564,647,522	776	+ 5.23	+ 5.12
May	511,474,552	840	543,408,997	801	583,519,880	774	+ 6.24	+ 7.38
June	468,387,455	838	500,319,580	803	548,798,029	772	+ 6.82	+ 9.69
July	444,115,237	834	491,018,134	799	545,665,957	774	+ 10.56	+ 11.13
August	417,817,794	833	467,427,900	796	517,675,814	767	+ 11.87	+ 10.75
September	416,649,423	836	447,166,094	796	483,172,492	772	+ 7.32	+ 8.05
October	449,267,689	835	467,915,409	797			+ 4.15	
November	453,593,349	826	463,696,745	793			+ 2.23	
December	497,718,548	815	494,282,753	793			- 0.69	
Years Total	5,611,107,592		5,986,246,606				+ 6.69	

\* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2003 THROUGH SEPTEMBER 2005, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	PERCENT 2004/03	CHANGE 2005/04
January	535,741,056	177	562,516,031	178	538,413,955	168	+ 5.00	- 4.28
February	498,218,526	176	532,156,355	176	491,753,468	170	+ 3.13*	- 4.29*
March	570,901,632	177	568,504,219	178	569,909,167	169	- 0.42	+ 0.25
April	562,338,380	177	557,482,116	176	563,980,078	168	- 0.86	+ 1.17
May	589,176,775	177	583,379,003	177	600,707,138	170	- 0.98	+ 2.97
June	559,442,259	177	567,036,025	177	592,086,292	172	+ 1.36	+ 4.42
July	560,883,275	178	571,734,951	181	598,502,673	171	+ 2.32	+ 4.68
August	547,114,145	178	563,099,040	177	597,055,615	172	+ 2.92	+ 6.03
September	533,648,709	180	540,636,857	179	560,680,297	176	+ 1.31	+ 3.71
October	546,904,202	178	541,026,928	177			- 1.07	
November	526,000,891	176	512,342,849	176			- 2.60	
December	553,271,605	179	522,218,762	174			- 5.61	
Years Total	6,583,641,455		6,624,297,736				+ 0.62	

\* 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
September 2004	3.67	3.53	3.11	3.03	5.68	5.70	8.79	8.73	356	274
October	3.76	3.63	3.15	3.09	5.69	5.72	8.84	8.81	346	285
November	3.84	3.72	3.18	3.14	5.70	5.73	8.88	8.87	372	298
December	3.85	3.74	3.19	3.15	5.70	5.70	8.89	8.84	359	323
Averages 2004	3.70	3.56	3.09	3.02	5.70	5.72	8.79	8.74	339	280
January 2005	3.77	3.68	3.13	3.09	5.69	5.69	8.82	8.77	346	324
February	3.75	3.65	3.10	3.06	5.71	5.70	8.81	8.77	329	306
March	3.70	3.59	3.08	3.02	5.72	5.72	8.80	8.75	322	283
April	3.64	3.53	3.04	2.98	5.70	5.72	8.75	8.70	298	251
May	3.61	3.48	3.02	2.94	5.71	5.74	8.73	8.68	300	244
June	3.57	3.41	2.97	2.90	5.72	5.75	8.69	8.65	332	248
July	3.59	3.43	2.98	2.88	5.70	5.74	8.68	8.62	347	252
August	3.63	3.47	3.01	2.91	5.71	5.75	8.73	8.66	365	275
September	3.69	3.52	3.07	2.97	5.68	5.72	8.75	8.69	366	270

a/ In thousands.

**SEPTEMBER 2005**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	Pounds	Price	Value
Add: Class I Differential			\$330,304.63
Class I Butterfat	60(a) 8,200,818	\$1.8172	\$14,902,526.49
Class I Skim Per Cwt	351,948,966	\$10.7100	\$37,693,734.27
Class II Butterfat	60(b) 8,198,288	\$1.8942	\$15,529,197.14
Class II Nonfat Solids	7,529,634	\$0.8889	\$6,693,091.67
Class III Butterfat	60(c) 6,443,685	\$1.8872	\$12,160,522.32
Class III Protein	5,092,910	\$2.3009	\$11,718,276.62
Class III Other Solids	9,720,537	\$0.1411	\$1,371,567.77
Class IV Butterfat	60(d) 4,876,508	\$1.8872	\$9,202,945.89
Class IV Nonfat Solids	12,676,090	\$0.8222	\$10,422,281.20
Class II, III & IV Somatic Cell Adj.	60(e)		\$175,193.83
Total Producer Milk-Product Lbs & Value	766,793,711		\$120,199,641.83
Add: Value as for 60(f) Thru 60(j)			\$246,472.69
Less: Total Protein Pounds	61(b) 23,082,350	<b>\$2.3009</b>	\$53,110,179.12
Total Other Solids Pounds	43,729,515	<b>\$0.1411</b>	\$6,170,234.58
Total Butterfat Pounds	27,719,299	<b>\$1.8872</b>	\$52,311,861.07
Total Value of Somatic Cell Adjustment			\$238,008.65
<b>Total Milk and Value</b>	766,793,711		\$8,615,831.10
Add: Location Differential Adjustments	61(c)		\$2,147,017.39
Producer-Settlement Fund	61(d)		\$354,180.65
<b>Total Producer Milk/URSP and Value</b>	766,793,711	\$1.44980	\$11,117,029.14
Less: Producer-Settlement Fund	61(f)	\$0.04980	\$381,917.19
<b>Producer Price Differential (Dallas County)</b>		<b>\$1.40</b>	\$10,735,111.95

THE MARKET ADMINISTRATOR'S

# REPORT

SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR

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## SEPTEMBER 2005 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	360,149,784	46.97	8,200,818	29.59	351,948,966	47.62
Class II	91,169,589	11.89	8,198,288	29.58	82,971,301	11.23
Class III	170,592,121	22.25	6,443,685	23.24	164,148,436	22.21
Class IV	144,882,217	18.89	4,876,508	17.59	140,005,709	18.94
Total	766,793,711	100.00	27,719,299	100.00	739,074,412	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,015,936	47.73	20,776,754	47.51	31,792,693	47.59
Class II	2,618,292	11.34	4,911,346	11.23	7,529,634	11.27
Class III	5,092,910	22.06	9,720,537	22.23	14,813,448	22.17
Class IV	4,355,212	18.87	8,320,878	19.03	12,676,090	18.97
Total	23,082,350	100.00	43,729,515	100.00	66,811,865	100.00