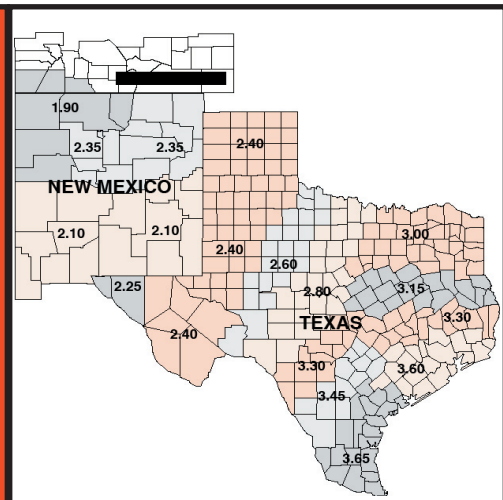


# THE MARKET ADMINISTRATOR'S

# 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 \$2.36 for September. Butterfat price decreased \$0.0771 per pound from \$1.5872 in August to the level of \$1.5101 in September. Protein price increased \$0.4517 per pound from \$3.9412 in August to \$4.3929 in September. September's Other Solids price decreased \$0.1478 per pound from \$0.4368 in August to \$0.2890 in September. The Somatic Cell Count adjustment rate factor for September was 0.00101 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 \$22.43 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 \$0.33 in comparison to the statistical blend price of \$22.76 in August.

The September Class I price increased \$0.15 from \$24.76 in August to the September level of \$24.91. The Class II price for September of \$22.16 per hundredweight decreased \$0.25 from \$22.41 in August. September's Class III price increased \$0.24 from \$19.83 in August to \$20.07 in September. The Class IV price decreased \$0.26 from \$21.87 in August to \$21.61 in September.

In September 815 producers delivered a total of 966,504,524 pounds of milk. On a daily basis this represents an increase of 27.56 percent from the producer receipts level in August and it represents an increase of 9.95 percent when compared to the producer receipts level of September 2006.

Producer milk classified as Class I during September amounted to 34.55 percent of total producer receipts. This figure is down from 44.65 percent in August and it is down from 40.76 percent in September 2006. The average butterfat test of producer milk pooled during September was 3.593 percent, average protein test was 3.042 percent, average other solids test was 5.693 percent and the average somatic cell count was 296,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Sep 07	Aug 07	Sep 07	Aug 07	Sep 07	Aug 07
Appalachian	24.00	24.16	-----	-----	70.08	73.27
Arizona	22.15	22.22	-----	-----	39.28	41.01
Central	21.66	21.93	1.59	2.10	36.99	39.03
Florida	25.08	25.24	-----	-----	84.40	86.72
Mideast	21.94	22.19	1.87	2.36	40.80	44.60
Northeast	22.99	23.14	2.92	3.31	44.50	43.90
Pacific Northwest	21.65	21.84	1.58	2.01	31.42	31.50
Southeast	23.77	23.87	-----	-----	67.75	70.57
<b>Southwest</b>	<b>22.43</b>	<b>22.76</b>	<b>2.36</b>	<b>2.93</b>	<b>34.55</b>	<b>44.65</b>
Upper Midwest	20.71	20.61	0.64	0.78	16.40	16.60

## USDA SEEKS NOMINATIONS FOR NATIONAL FLUID MILK BOARD

The U.S. Department of Agriculture is asking fluid milk processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board.

The Secretary of Agriculture will appoint six individuals from those nominated to succeed members whose terms expire June 30, 2008. Newly appointed or reappointed members will serve 3-year terms from July 1, 2008 through June 30, 2011. The National Fluid Milk Processor Promotion Board was established by the Fluid Milk Promotion Act of 1990, as amended, to develop and administer a coordinated program of advertising and education to promote fluid milk products.

The national fluid milk program is financed by a mandatory 20-cent per hundredweight assessment on fluid milk processors who process and market commercially in consumer-type packages more than 3,000,000 pounds of fluid milk products per month in the contiguous 48 states and the District of Columbia, excluding those fluid milk products delivered directly to consumer residences.

USDA will accept nominations for board representation in five geographic regions and one at-large processor position. Nominees must be active owners or employees of a fluid milk processor. The geographic regions are: Region 2 (New Jersey and New

York); Region 5 (Florida); Region 8 (Illinois and Indiana); Region 11 (Arkansas, Iowa, Kansas, Missouri, Nebraska, and Oklahoma); and Region 14 (Northern California). No fluid milk processor shall be represented on the board by more than three members.

Fluid milk processors and interested parties may submit nominations for regions in which they are located or market fluid milk and for at-large members.

To nominate an individual, please submit originals of both the nomination form and a signed background form for each nominee by Oct. 31, 2007, to: Promotion and Research Branch, Dairy Programs, AMS, MRP, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233.

## AUGUST 2007 DAIRY PRODUCTS HIGHLIGHTS

Butter production was 109.8 million pounds in August, 23.6% above August 2006 but 4.9% below July 2007. American type cheese production totaled 312.3 million pounds, 1.8% below August 2006 and 3.1% below July 2007. Total cheese output (excluding cottage cheese) was 794.7 million pounds, 0.1% below August 2006 and 0.1% below July 2007. Non-fat dry milk production, for human food, totaled 103.0 million pounds, 40.7% above August 2006 but 16.4% below July 2007. Dry whey production, for human food, was 89.1 million pounds, 1.6% above August 2006 but 2.2% below July 2007.

**Texas Agricultural Cash Receipts by Commodity, 2006**

Rank	Commodity	Receipts <sup>1/</sup>	Percent of total
		<b>\$1,000</b>	
1	Cattle and Calves	7,440,565	46.3
2	Cotton (lint and seed)	1,907,763	11.9
3	Greenhouse and Nursery	1,515,990	9.4
4	Broilers	1,265,400	7.9
5	<b>Milk (wholesale)</b>	<b>947,492</b>	<b>5.9</b>
6	Corn	487,992	3.0
7	Hay	327,136	2.0
8	Eggs	253,563	1.6
9	Sorghum Grain	187,733	1.2
10	Wheat	180,724	1.1
11	Potatoes	117,059	0.7
12	Hogs	107,534	0.7
13	Rice	105,082	0.7
14	Peanuts	96,034	0.6
15	Onions	89,424	0.6
	All Others	1,024,693	6.4
	<b>TOTAL</b>	<b>16,054,184</b>	

<sup>1/</sup> Excludes government payments.

**New Mexico Agricultural Cash Receipts by Commodity, 2006**

Rank	Commodity	Receipts <sup>1/</sup>	Percent of total
		<b>\$1,000</b>	
1	<b>Milk (wholesale)</b>	<b>911,614</b>	<b>37.0</b>
2	Cattle and Calves	905,138	36.7
3	Hay	156,698	6.4
4	Pecans	85,100	3.5
5	Greenhouse and Nursery	62,270	2.5
6	Corn for Silage	56,700	2.3
7	Onions	45,936	1.9
8	Chile	41,705	1.7
9	Cotton	39,616	1.6
10	Misc. Vegetables	26,000	1.1
11	Poultry and Eggs	19,835	0.8
12	Wheat	19,029	0.8
13	Corn for Grain	17,472	0.7
14	Other Livestock	17,323	0.7
15	Other Field Crops	14,100	0.6
	All Others	44,990	1.8
	<b>TOTAL</b>	<b>2,463,526</b>	

<sup>1/</sup> Excludes cash receipts for livestock grazing.

**TOP TEN TEXAS COUNTIES a/ – SEPTEMBER 2007**

County	Number of Producers	Pounds	% Change From 2006b/	County	Number of Producers	Pounds	% Change From 2006b/
1. Erath	93	87,488,642	- 4.79	7. Comanche	28	33,315,884	- 8.52
2. Parmer	12	53,563,285	+ 95.03	8. Bailey	9	30,683,419	+ 15.72
3. Deaf Smith	13	50,733,457	+ 17.05	9. Hartley	6	25,777,570	+ 25.10
4. Castro	9	41,858,075	+ 41.22	10. Hale	5	24,830,743	- 5.24
5. Hopkins	126	36,836,565	- 11.99	Ten County Total	310	419,222,619	+ 11.84 b/
6. Lamb	9	34,134,979	+ 10.39	Other Counties Total	350	148,421,420	- 6.93
				<b>Texas Total</b>	<b>660</b>	<b>567,644,039</b>	<b>+ 6.23</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.					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 2006	14.34	10.83	10.92	10.21	1.40	122.28	12.57	198.07	.00059	113.40	117.93	83.00	28.10
August	13.97	11.16	11.06	10.64	1.60	130.08	14.16	190.50	.00059	119.90	118.13	84.84	29.65
September	13.85	11.74	12.29	11.10	0.91	141.91	16.49	213.46	.00065	129.76	129.12	85.37	31.91
October	15.42	11.79	12.32	11.51	1.33	141.49	20.26	207.75	.00064	129.41	127.21	90.27	35.57
November	15.40	11.98	12.84	12.11	0.99	138.52	22.76	223.83	.00066	126.93	131.23	98.37	38.00
December	15.43	12.55	13.47	12.30	0.58	134.81	25.64	243.88	.00068	123.84	136.24	102.25	40.79
Averages 2006 b/	14.88	11.76	11.89	11.06	1.27	132.52	17.46	209.12	.00062	121.93	124.70	88.74	32.85
January 2007	16.59	12.85	13.56	12.53	1.21	130.09	31.83	240.53	.00067	119.91	133.66	106.77	46.80
February	16.39	13.08	14.18	12.71	0.80	131.12	41.70	241.25	.00067	121.29	134.54	110.21	60.05
March	17.25	13.60	15.09	13.71	0.78	137.69	52.57	243.29	.00069	126.76	137.32	119.02	70.60
April	18.00	14.51	16.09	16.12	0.88	146.57	60.08	252.12	.00071	134.16	142.96	143.54	77.89
May	18.92	16.62	17.60	18.48	0.91	157.06	57.91	294.24	.00080	142.90	159.46	166.70	75.78
June	20.84	18.89	20.17	20.76	0.31	164.57	58.31	370.59	.00093	149.16	185.61	190.12	76.17
July	23.91	21.40	21.38	21.64	1.31	161.10	55.34	420.68	.00100	146.27	200.02	201.80	73.29
August	24.76	22.41	19.83	21.87	2.93	158.72	43.68	394.12	.00096	144.29	191.00	205.45	61.97
September	24.91	22.16	20.07	21.61	2.36	151.01	28.90	439.29	.00101	137.86	202.50	205.57	47.62

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

**TOP NEW MEXICO COUNTIES a/ – SEPTEMBER 2007**

County	Number of Producers	Pounds	% Change From 2006b/	County	Number of Producers	Pounds	% Change From 2006b/
1. Chaves	38	153,237,692	+ 2.00	7. Socorro	8	17,114,733	+ 4.34
2. Curry	26	128,215,269	+ 6.67	8. Valencia	6	13,063,407	- 2.96
3. Roosevelt	41	114,947,409	- 0.84	9. Sierra	3	7,155,276	+ 6.79
4. Dona Ana	24	84,467,165	+ 6.33	10. Bernalillo	4	5,228,597	+ 6.28
5. Lea	13	39,988,969	- 2.12	Ten County Total	169	585,109,074	+ 2.62 b/
6. Eddy	6	21,690,557	- 1.46	Other Counties Total	3	11,380,061	+ 6.67
				<b>New Mexico Total</b>	<b>172</b>	<b>596,489,135</b>	<b>+ 2.70</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 2005 THROUGH SEPTEMBER 2007, WITH PRODUCTION PERCENTAGE COMPARISONS**

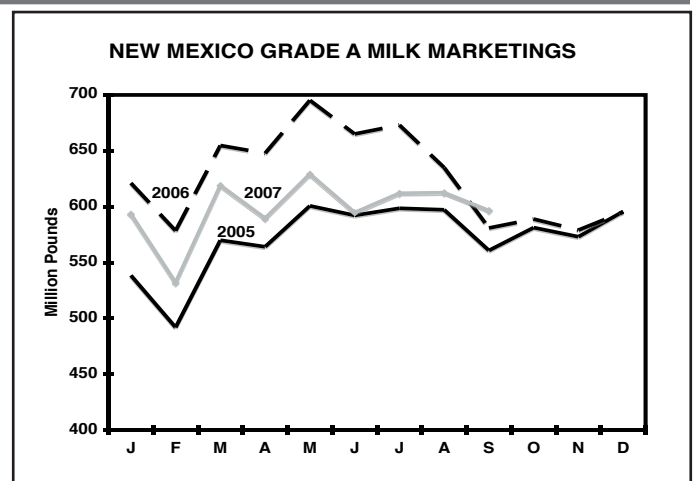
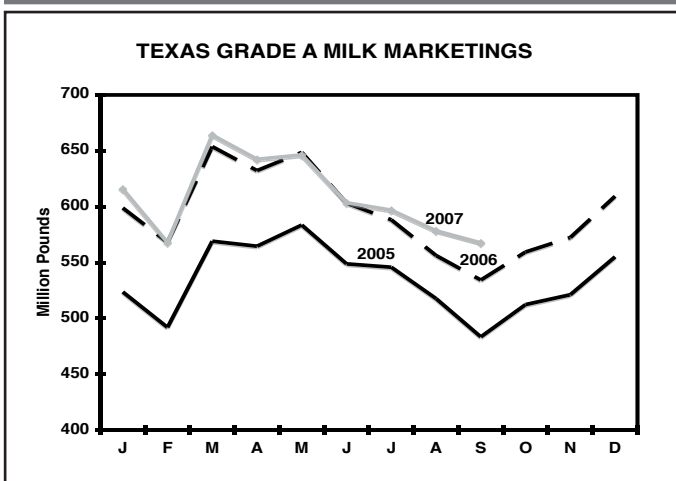
MONTH	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	PERCENT 2006/05	CHANGE 2007/06
January	523,680,970	778	598,770,671	746	615,842,075	697	+ 14.34	+ 2.85
February	491,841,542	767	568,127,819	740	567,905,237	692	+ 15.51	- 0.04
March	569,021,475	771	653,677,865	740	664,126,490	694	+ 14.88	+ 1.60
April	564,647,522	776	632,332,356	741	642,444,396	689	+ 11.99	+ 1.60
May	583,519,880	774	648,575,970	739	646,347,511	676	+ 11.15	- 0.34
June	548,798,029	772	603,059,138	733	603,528,908	670	+ 9.89	+ 0.08
July	545,665,957	774	588,198,398	726	596,923,443	656	+ 7.79	+ 1.48
August	517,675,814	767	556,266,201	723	578,369,166	656	+ 7.45	+ 3.97
September	483,172,492	772	534,330,715	712	567,644,039	660	+ 10.59	+ 6.23
October	512,618,370	770	559,390,201	710			+ 9.12	
November	521,233,872	758	572,262,884	701			+ 9.79	
December	<u>555,024,482</u>	743	<u>609,404,039</u>	695			<u>+ 9.80</u>	
Years Total	6,416,900,405		7,124,396,257				+ 11.03	

\* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2005 THROUGH SEPTEMBER 2007, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	PERCENT 2006/05	CHANGE 2007/06
January	538,413,955	168	621,161,722	173	593,282,897	171	+ 15.37	- 4.49
February	491,753,468	170	578,266,056	172	531,955,021	170	+ 17.59	- 8.01
March	567,325,607	169	654,702,022	172	618,854,728	171	+ 15.40	- 5.48
April	563,980,078	168	647,819,688	173	589,646,957	167	+ 14.87	- 8.98
May	600,707,138	170	695,061,878	175	629,220,180	166	+ 15.71	- 9.47
June	592,086,292	172	665,063,549	175	598,890,379	166	+ 12.33	- 9.95
July	598,502,673	171	672,988,089	174	611,908,294	167	+ 12.45	- 9.08
August	597,055,615	172	634,876,790	172	612,444,830	169	+ 6.33	- 3.53
September	560,680,297	176	580,816,517	173	596,489,135	172	+ 3.59	+ 2.70
October	581,203,811	174	588,810,710	171			+ 1.31	
November	573,043,775	173	578,970,652	173			+ 1.03	
December	<u>595,644,281</u>	171	<u>595,163,099</u>	175			<u>- 0.08</u>	
Years Total	6,860,396,990		7,513,700,772				+ 9.52	

\* 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 2006	3.74	3.61	3.11	3.04	5.70	5.73	8.81	8.77	341	302
October	3.79	3.65	3.17	3.11	5.66	5.68	8.84	8.80	302	271
November	3.83	3.70	3.22	3.17	5.66	5.67	8.88	8.83	268	231
December	3.85	3.76	3.20	3.16	5.68	5.68	8.88	8.84	284	242
Averages 2006	3.74	3.61	3.09	3.03	5.70	5.71	8.78	8.74	279	231
January 2007	3.89	3.79	3.19	3.16	5.69	5.68	8.87	8.83	349	309
February	3.87	3.75	3.15	3.10	5.69	5.69	8.84	8.79	348	316
March	3.72	3.63	3.08	3.04	5.68	5.68	8.77	8.72	306	262
April	3.70	3.58	3.07	3.02	5.70	5.71	8.78	8.73	293	230
May	3.66	3.53	3.03	2.99	5.69	5.71	8.73	8.70	292	228
June	3.64	3.51	3.02	2.96	5.69	5.70	8.71	8.67	321	240
July	3.62	3.47	3.02	2.94	5.69	5.70	8.71	8.64	350	264
August	3.63	3.52	3.01	2.93	5.69	5.70	8.70	8.64	353	278
September	3.66	3.55	3.08	3.01	5.68	5.70	8.76	8.71	346	273

a/ In thousands.

**SEPTEMBER 2007**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$326,722.16
Class I Butterfat	60(a)	7,090,820	\$1.6682	\$11,828,905.93
Class I Skim Per Cwt		326,869,937	\$19.7600	\$64,589,499.54
Class II Butterfat	60(b)	8,984,204	\$1.5171	\$13,629,935.90
Class II Nonfat Solids		8,166,539	\$1.9400	\$15,843,085.66
Class III Butterfat	60(c)	14,607,644	\$1.5101	\$22,059,003.19
Class III Protein		11,816,964	\$4.3929	\$51,910,741.16
Class III Other Solids		22,304,089	\$0.2890	\$6,445,881.74
Class IV Butterfat	60(d)	4,043,882	\$1.5101	\$6,106,666.23
Class IV Nonfat Solids		12,532,372	\$1.8797	\$23,557,099.67
Class II, III & IV Somatic Cell Adj.	60(e)			\$395,310.54
Total Producer Milk-Product Lbs & Value		966,504,524		\$216,692,851.72
Add: Value as for 60(f) Thru 60(j)				\$28,026.36
Less: Total Protein Pounds	61(b)	29,408,953	<b>\$4.3929</b>	\$129,190,589.65
Total Other Solids Pounds		55,023,162	<b>\$0.2890</b>	\$15,901,693.84
Total Other Solids Pounds		34,726,550	<b>\$1.5101</b>	\$52,440,563.14
Total Value of Somatic Cell Adjustment				\$519,219.39
<b>Total Milk and Value</b>		966,504,524		\$18,668,812.06
Add: Location Differential Adjustments	61(c)			\$4,225,143.57
Producer-Settlement Fund	61(d)			\$307,814.94
<b>Total Producer Milk/URSP and Value</b>		966,504,524	\$2.40058	\$23,201,770.57
Less: Producer-Settlement Fund	61(f)		\$0.04058	\$392,263.80
<b>Producer Price Differential (Dallas County)</b>			<b>\$2.36</b>	\$22,809,506.77



THE MARKET ADMINISTRATOR'S

# REPORT

SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR

P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939

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## SEPTEMBER 2007 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	333,960,757	34.55	7,090,820	20.42	326,869,937	35.08
Class II	98,791,106	10.22	8,984,204	25.87	89,806,902	9.64
Class III	392,220,584	40.59	14,607,644	42.07	377,612,940	40.52
Class IV	141,532,077	14.64	4,043,882	11.64	137,488,195	14.76
Total	966,504,524	100.00	34,726,550	100.00	931,777,974	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,336,247	35.15	19,275,907	35.03	29,612,150	35.08
Class II	2,870,665	9.76	5,295,871	9.62	8,166,539	9.67
Class III	11,816,964	40.18	22,304,089	40.54	34,121,054	40.41
Class IV	4,385,077	14.91	8,147,295	14.81	12,532,372	14.84
Total	29,408,953	100.00	55,023,162	100.00	84,432,115	100.00