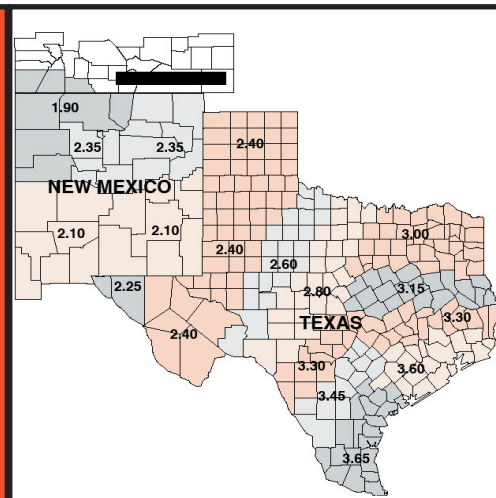


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR OCTOBER

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 \$1.23 for October. Butterfat price increased \$0.0526 per pound from \$1.2226 in September to the level of \$1.2752 in October. Protein price increased \$0.1341 per pound from \$2.4243 in September to \$2.5584 in October. October's Other Solids price increased \$0.0210 per pound from \$0.1018 in September to \$0.1228 in October. The Somatic Cell Count adjustment rate factor for October was 0.00071 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an October statistical uniform price of \$14.05 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 \$1.03 in comparison to the statistical uniform price of \$13.02 in September.

The October Class I price increased \$1.42 from \$13.93 in September to the October level of \$15.35. The Class II price for October of \$11.93 per hundred-weight increased \$0.92 from \$11.01 in September. October's Class III price increased \$0.71 from \$12.11 in September to \$12.82 in October. The Class IV price increased \$0.71 from \$11.15 in September to \$11.86 in October.

In October 507 producers delivered a total of 872,166,242 pounds of milk. On a daily basis this represents a decrease of 0.05 percent from the producer receipts level in September but it represents an increase of 56.12 percent when compared to the producer receipts level of October 2008.

Producer milk classified as Class I during October amounted to 43.78 percent of total producer receipts. This figure is up from 43.09 percent in September and it is down from 67.64 percent in October 2008. The average butterfat test of producer milk pooled during October was 3.648 percent, average protein test was 3.150 percent, average other solids test was 5.776 percent and the average somatic cell count was 235,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Oct 09	Sep 09	Oct 09	Sep 09	Oct 09	Sep 09
Appalachian	15.05	13.65	-----	-----	73.52	73.03
Arizona	13.38	12.37	-----	-----	40.26	42.38
Central	12.79	11.90	(0.03)	(0.21)	40.16	40.09
Florida	17.23	15.58	-----	-----	88.40	85.68
Mideast	13.14	12.07	0.32	(0.04)	46.20	43.70
Northeast	14.06	12.93	1.24	0.82	48.90	46.70
Pacific Northwest	12.86	11.89	0.04	(0.22)	30.89	49.14
Southeast	15.55	14.12	-----	-----	74.01	73.08
<b>Southwest</b>	<b>14.05</b>	<b>13.02</b>	<b>1.23</b>	<b>0.91</b>	<b>43.78</b>	<b>43.09</b>
Upper Midwest	12.94	12.14	0.12	0.03	14.20	15.50

## USDA ISSUES RECOMMENDED DECISION ON PROPOSED AMENDMENTS TO ALL FEDERAL MILK ORDERS

The U.S. Department of Agriculture issued a recommended decision to adopt amendments to the producer-handler definition in all Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held May 4-19 in Cincinnati, Ohio.

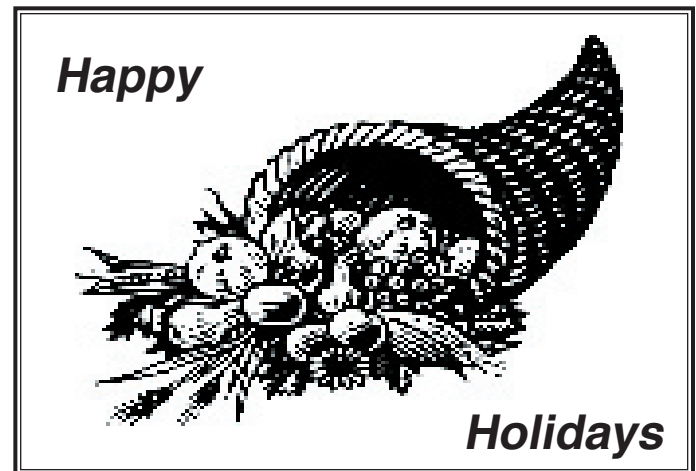
The decision recommends that the producer-handler definitions of all Federal milk marketing orders be amended to limit exemption from pooling and pricing provisions of the orders to those producer-handlers with total route disposition of fluid milk products of 3 million pounds or less per month. The exempt plant definition would continue to limit disposition of Class I milk products to 150,000 pounds or less per month.

Interested persons have 60 days to file comments in response to the recommended decision. You may send your comments by using the Federal eRulemaking portal at <http://www.regulations.gov>.

### 2010 PRICE DATA RELEASE DATES

Listed below are the release dates for the Federal milk order program for price data applicable to January through December 2010.

The advanced prices and pricing factors will be released at 10:00 a.m. EST/EDST no later than the 23rd of the preceding month if that date is on a Friday; otherwise, the release date will be the nearest Friday before the 23rd. Likewise, the class and component prices will be released at 10:00 a.m. EST/EDST no later than the 5th of the following month if that date is on a Friday; otherwise the release date will be the nearest Friday before the 5th. As noted below, the release time and release dates may differ from this schedule due to the timing of some holidays. Due to the Federal holiday on December 31, 2010, the release date and time for the December Class and Component Prices is Thursday, December 30, 2010, at 2:00 p.m. EST.



### 2010 RELEASE DATES FOR PRICE DATA

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices <sup>1/</sup>	Release Date	Time Period of NASS Prices <sup>1/</sup>
January	December 18, 2009	12/5, 12	February 5, 2010	1/2, 9, 16, 23, 30
February	January 22, 2010	1/9, 16	March 5	2/6, 13, 20, 27
March	February 19	2/6, 13	April 2	3/6, 13, 20, 27
April	March 19	3/6, 13	April 30	4/3, 10, 17, 24
May	April 23	4/10, 17	June 4	5/1, 8, 15, 22, 29
June	May 21	5/8, 15	July 2	6/5, 12, 19, 26
July	June 18	6/5, 12	July 30	7/3, 10, 17, 24
August	July 23	7/10, 17	September 3	7/31, 8/7, 14, 21, 28
September	August 20	8/7, 14	October 1	9/4, 11, 18, 25
October	September 17	9/4, 11	November 5	10/2, 9, 16, 23, 30
November	October 22	10/9, 16	December 3	11/6, 13, 20, 27
December	November 19	11/6, 13	December 30	12/4, 11, 18, 25

<sup>1/</sup> Weekly sales periods, ending on the indicated date, that are included in the applicable average. Information for the week is released by NASS on Friday of the following week.

## TOP TEN TEXAS COUNTIES a/ – OCTOBER 2009

County	Number of Producers	Pounds	% Change From 2008b/	County	Number of Producers	Pounds	% Change From 2008b/
1. Erath	82	96,823,160	- 2.78	7. Bailey	10	41,795,356	+ 8.20
2. Parmer	11	66,548,798	- 1.75	8. Hopkins	110	37,417,133	- 7.66
3. Deaf Smith	14	63,004,997	+ 1.98	9. Hale	6	34,378,433	+ 22.16
4. Castro	11	62,699,832	+ 11.96	10. Comanche	19	34,025,300	- 11.98
5. Lamb	9	43,349,005	+ 13.23	Ten County Total	282	523,353,714	+ 2.83 b/
6. Hartley	10	43,311,700	+ 9.31	Other Counties Total	308	184,958,658	+ 0.83
				Texas Total	590	708,312,372	+ 2.30

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-----							
August 2008	21.47	17.45	17.32	16.64	2.00	174.13	5.29	364.97	.00093	157.13	186.99	138.40	24.70
September	20.65	17.58	16.28	15.45	2.18	181.96	2.34	326.89	.00089	163.65	177.73	121.31	21.83
October	18.53	16.60	17.06	13.62	0.20	185.07	(0.47)	354.90	.00095	169.97	190.65	99.87	19.45
November	20.33	14.45	15.51	12.25	1.38	177.30	(0.99)	313.01	.00088	163.56	175.11	87.01	18.95
December	18.43	11.21	15.28	10.35	(0.53)	129.98	(2.69)	363.90	.00088	124.48	175.44	84.25	17.30
Averages 2008 b/	21.00	16.24	17.44	14.65	0.83	156.68	5.55	388.98	.00095	143.56	189.54	122.56	25.04
January 2009	18.74	10.41	10.78	9.59	2.72	110.84	(3.04)	236.38	.00065	108.68	129.61	83.18	16.96
February	13.72	10.25	9.31	9.45	2.00	109.41	(4.37)	191.39	.00058	107.50	115.18	82.15	15.67
March	12.43	10.36	10.44	9.64	1.01	115.94	(3.39)	219.73	.00063	112.89	126.11	81.66	16.62
April	13.36	10.49	10.78	9.82	1.11	120.49	(0.43)	220.09	.00064	116.65	127.71	81.95	19.49
May	13.97	10.71	9.84	10.14	2.00	126.48	3.36	174.54	.00058	121.59	115.53	83.18	23.17
June	13.08	10.79	9.97	10.22	1.67	125.44	7.23	172.83	.00057	120.73	114.66	84.61	26.93
July	13.26	10.87	9.97	10.15	1.80	124.38	9.49	169.70	.00057	119.86	113.34	84.22	29.12
August	13.04	10.86	11.20	10.38	1.14	124.91	9.62	210.09	.00063	120.30	126.05	86.66	29.25
September	13.93	11.01	12.11	11.15	0.91	122.26	10.18	242.43	.00068	118.11	135.22	96.64	29.79
October	15.35	11.93	12.82	11.86	1.23	127.52	12.28	255.84	.00071	122.45	141.10	102.70	31.83

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

## TOP NEW MEXICO COUNTIES a/ – OCTOBER 2009

County	Number of Producers	Pounds	% Change From 2008b/	County	Number of Producers	Pounds	% Change From 2008b/
1. Chaves	34	160,195,369	- 2.59	7. Eddy	4	16,541,391	- 24.85
2. Curry	27	143,435,580	+ 4.02	8. Valencia	5	14,276,284	+ 5.30
3. Roosevelt	38	129,742,691	- 1.58	9. Bernalillo	4	5,430,790	+ 3.98
4. Dona Ana	21	82,111,488	- 2.67				
5. Lea	12	45,781,232	+ 8.01	Nine County Total	153	617,355,484	- 0.53 b/
6. Socorro	8	19,840,659	+ 5.01	Other Counties Total	4	19,588,668	+ 29.18
				New Mexico Total	157	636,944,152	+ 0.18

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 2007 THROUGH OCTOBER 2009, WITH PRODUCTION PERCENTAGE COMPARISONS**

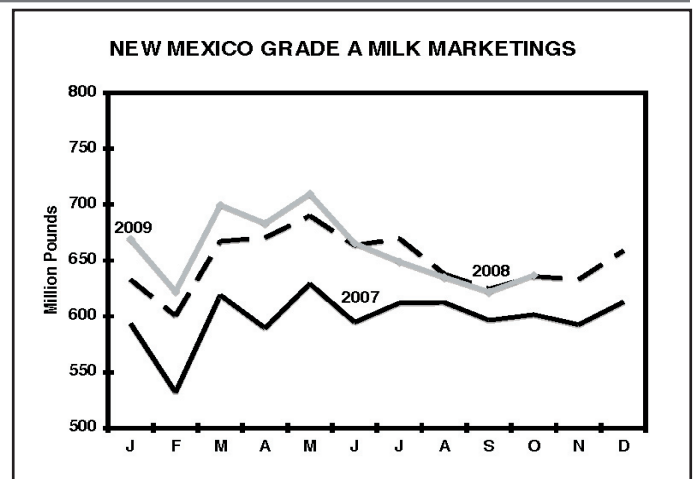
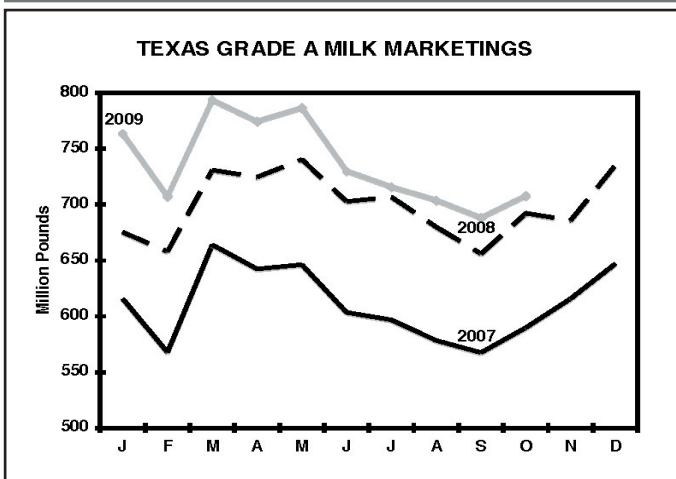
MONTH	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	PERCENT 2008/07	CHANGE 2009/08
January	615,854,742	697	675,265,283	654	764,064,476	636	+ 9.65	+ 13.15
February	567,905,237	692	658,108,461	658	707,786,943	631	+ 11.89*	+ 11.39*
March	664,126,490	694	730,859,173	659	793,989,726	635	+ 10.05	+ 8.64
April	642,444,396	689	724,651,306	659	774,795,518	631	+ 12.80	+ 6.92
May	646,347,511	676	740,427,008	659	787,077,681	629	+ 14.56	+ 6.30
June	603,528,908	670	702,946,861	656	730,380,337	622	+ 16.47	+ 3.90
July	596,923,443	656	706,911,758	657	716,344,326	598	+ 18.43	+ 1.33
August	578,369,166	656	679,996,118	654	704,267,950	597	+ 17.57	+ 3.57
September	569,217,018	661	656,032,884	646	688,737,418	593	+ 15.25	+ 4.99
October	607,239,216	664	692,397,097	648	708,312,372	590	+ 14.02	+ 2.30
November	615,810,876	660	685,894,611	646			+ 11.38	
December	<u>647,114,088</u>	655	<u>735,262,255</u>	640			<u>+ 13.62</u>	
Years Total	7,354,881,091		8,388,752,815				+ 14.06	

\* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2007 THROUGH OCTOBER 2009, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	PERCENT 2008/07	CHANGE 2009/08
January	593,437,434	171	632,699,151	173	669,161,661	170	+ 6.62	+ 5.76
February	531,955,021	170	600,488,935	169	622,538,938	167	+ 8.99*	+ 7.37*
March	618,854,728	171	667,225,545	170	699,808,110	168	+ 7.82	+ 4.88
April	593,858,997	168	670,437,294	170	683,575,106	164	+ 12.90	+ 1.96
May	629,220,180	166	690,007,674	173	709,872,347	165	+ 9.66	+ 2.88
June	598,890,379	166	663,052,878	172	665,627,017	166	+ 10.79	+ 0.39
July	611,908,294	167	669,450,030	172	649,187,109	158	+ 9.40	- 3.03
August	612,444,830	169	637,877,538	172	635,258,249	157	+ 4.15	- 0.41
September	596,639,214	173	624,527,568	172	622,278,128	158	+ 4.67	- 0.36
October	614,972,057	172	635,779,456	174	636,944,152	157	+ 3.38	+ 0.18
November	592,544,809	171	632,916,136	175			+ 6.81	
December	<u>612,751,685</u>	172	<u>658,804,868</u>	173			<u>+ 7.52</u>	
Years Total	7,207,477,628		7,783,267,073				+ 7.99	

\* Based on average daily deliveries.



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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
October 2008	3.77	3.62	3.15	3.08	5.72	5.74	8.87	8.82	313	257
November	3.81	3.62	3.18	3.13	5.73	5.74	8.91	8.87	277	226
December	3.83	3.64	3.19	3.12	5.74	5.74	8.93	8.86	268	222
Averages 2008	3.72	3.58	3.10	3.02	5.73	5.73	8.82	8.75	280	231
January 2009	3.81	3.63	3.16	3.11	5.72	5.72	8.87	8.83	252	211
February	3.75	3.58	3.12	3.08	5.73	5.74	8.84	8.82	247	204
March	3.69	3.51	3.09	3.04	5.74	5.78	8.83	8.81	236	192
April	3.67	3.50	3.09	3.03	5.72	5.75	8.81	8.78	238	193
May	3.60	3.42	3.06	2.99	5.74	5.77	8.81	8.76	246	183
June	3.59	3.41	3.03	2.95	5.73	5.76	8.76	8.72	260	191
July	3.58	3.40	3.00	2.91	5.73	5.76	8.73	8.67	297	225
August	3.61	3.43	3.03	2.93	5.71	5.74	8.74	8.67	313	240
September	3.66	3.48	3.13	3.04	5.74	5.77	8.87	8.81	298	226
October	3.79	3.60	3.21	3.13	5.76	5.79	8.97	8.92	280	208

a/ In thousands.

**OCTOBER 2009**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$494,279.02
Class I Butterfat	60(a)	8,325,195	\$1.2341	\$10,274,123.17
Class I Skim Per Cwt		373,510,798	\$11.4300	\$42,692,284.23
Class II Butterfat	60(b)	6,763,936	\$1.2822	\$8,672,718.74
Class II Nonfat Solids		6,375,675	\$0.8567	\$5,462,040.77
Class III Butterfat	60(c)	14,253,784	\$1.2752	\$18,176,425.35
Class III Protein		11,893,830	\$2.5584	\$30,429,174.67
Class III Other Solids		21,989,178	\$0.1228	\$2,700,271.05
Class IV Butterfat	60(d)	2,482,149	\$1.2752	\$3,165,236.41
Class IV Nonfat Solids		2,921,247	\$0.8506	\$2,484,812.71
Class II, III & IV Somatic Cell Adj.	60(e)			\$468,003.09
Total Producer Milk-Product Lbs & Value		872,166,242		\$125,019,369.21
Add: Value as for 60(f) Thru 60(j)				\$185,032.30
Less: Total Protein Pounds	61(b)	27,476,019	<b>\$2.5584</b>	\$70,294,647.02
Total Other Solids Pounds		50,382,661	<b>\$0.1228</b>	\$6,186,990.80
Total Butterfat Pounds		31,825,064	<b>\$1.2752</b>	\$40,583,321.62
Total Value of Somatic Cell Adjustment				\$714,705.27
<b>Total Milk and Value</b>		872,166,242		\$7,424,736.80
Add: Location Differential Adjustments	61(c)			\$3,228,758.00
Producer-Settlement Fund	61(d)			\$490,411.52
<b>Total Producer Milk/URSP and Value</b>		872,166,242	\$1.27772	\$11,143,906.32
Less: Producer-Settlement Fund	61(f)		\$0.04772	\$416,261.54
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.23</b>	<b>\$10,727,644.78</b>

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**SOUTHWEST MARKETING AREA**  
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**OCTOBER 2009  
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	381,835,993	43.78	8,325,195	26.16	373,510,798	44.45
Class II	75,577,165	8.67	6,763,936	21.25	68,813,229	8.19
Class III	380,732,737	43.65	14,253,784	44.79	366,478,953	43.61
Class IV	34,020,347	3.90	2,482,149	7.80	31,538,198	3.75
Total	872,166,242	100.00	31,825,064	100.00	840,341,178	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	12,307,904	44.80	22,370,847	44.40	34,678,753	44.54
Class II	2,245,930	8.17	4,129,747	8.20	6,375,675	8.19
Class III	11,893,830	43.29	21,989,178	43.64	33,883,005	43.52
Class IV	1,028,355	3.74	1,892,889	3.76	2,921,247	3.75
Total	27,476,019	100.00	50,382,661	100.00	77,858,680	100.00