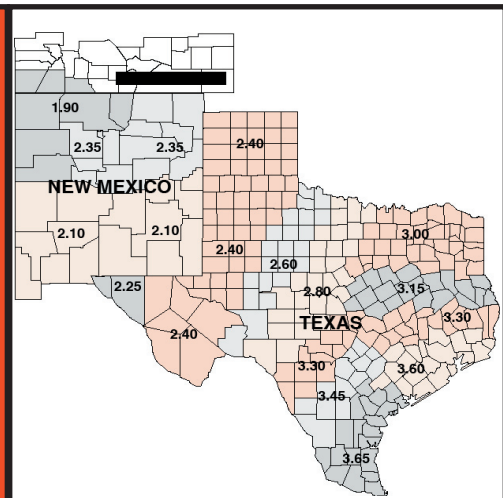


THE MARKET ADMINISTRATOR'S

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 \$0.91 for September. Butterfat price decreased \$0.0265 per pound from \$1.2491 in August to the level of \$1.2226 in September. Protein price increased \$0.3234 per pound from \$2.1009 in August to \$2.4243 in September. September's Other Solids price increased \$0.0056 per pound from \$0.0962 in August to \$0.1018 in September. The Somatic Cell Count adjustment rate factor for September was 0.00068 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 \$13.02 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 \$0.68 in comparison to the statistical uniform price of \$12.34 in August.

The September Class I price increased \$0.89 from \$13.04 in August to the September level of \$13.93. The Class II price for September of \$11.01 per hundredweight increased \$0.15 from \$10.86 in August. September's Class III price increased \$0.91 from \$11.20 in August to \$12.11 in September. The Class IV price increased \$0.77 from \$10.38 in August to \$11.15 in September.

In September 507 producers delivered a total of 844,430,846 pounds of milk. On a daily basis this represents an increase of 0.70 percent from the producer receipts level in August but it represents a decrease of 6.24 percent when compared to the producer receipts level of September 2008.

Producer milk classified as Class I during September amounted to 43.09 percent of total producer receipts. This figure is up from 41.01 percent in August and it is up from 39.79 percent in September 2008. The average butterfat test of producer milk pooled during September was 3.530 percent, average protein test was 3.062 percent, average other solids test was 5.751 percent and the average somatic cell count was 252,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Sep 09	Aug 09	Sep 09	Aug 09	Sep 09	Aug 09
Appalachian	13.65	12.86	-----	-----	73.03	71.94
Arizona	12.37	11.55	-----	-----	42.38	39.51
Central	11.90	11.24	(0.21)	0.04	40.09	35.28
Florida	15.58	14.88	-----	-----	85.68	87.05
Mideast	12.07	11.47	(0.04)	0.27	43.70	40.50
Northeast	12.93	12.35	0.82	1.15	46.70	42.60
Pacific Northwest	11.89	11.25	(0.22)	0.05	49.14	29.00
Southeast	14.12	13.30	-----	-----	73.08	70.79
Southwest	13.02	12.34	0.91	1.14	43.09	41.01
Upper Midwest	12.14	11.32	0.03	0.12	15.50	13.40

NOMINATIONS SOUGHT 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 seven individuals from those nominated to succeed members whose terms expire June 30, 2010. Appointed members will serve 3-year terms from July 1, 2010 through June 30, 2013.

USDA will accept nominations for board representation in five geographic regions and two at-large positions. Nominees for the five regional positions and at least one of the at-large positions must be active owners or employees of a fluid milk processor. One at-large position may be either a fluid milk processor or a member from the general public. The geographic regions are: Region 1 (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont); Region 4 (Georgia, North Carolina, and South Carolina); Region 7 (Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin); Region 10 (Texas); and Region 13 (Idaho, Montana, Oregon, Washington, and Wyoming). 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.

CWT ANNOUNCES THIRD HERD RETIREMENT OF 2009

Cooperatives Working Together has implemented its third herd retirement in 2009, effective October 1, 2009. All bids submitted were to be postmarked no later than October 15, 2009. This is the fourth herd retirement that CWT has conducted in the past 12 months.

Producers wishing to submit bids into the program must have been members of CWT, either through their membership in a CWT member cooperative or as an individual, effective January 2009. Producers whose bids were selected in previous herd retirements will not be eligible to bid again. This round will once again include a bred heifer option.

The maximum bid CWT considered was \$5.25 per hundredweight of milk, which was the same bid ceiling as the previous round. CWT selected bids beginning with the lowest bid with consistent milk production.

As with the two previous herd retirements of 2009, producers whose bids were accepted in the herd retirement will be paid in two installments: 90% of the amount bid times the producer's 12 months of milk production when it is verified that all cows have gone to processing plants. The remaining 10% plus interest will be paid at the end of 12 months if neither the producer nor the dairy facility – whether owned or leased – go back into in the commercial production and marketing of milk during that period.

Texas Agricultural Cash Receipts by Commodity, 2008

Rank	Commodity	Receipts ^{1/}	Percent of total
		\$1,000	
1	Cattle and Calves	6,895,625	36.0
2	Cotton (lint and seed)	2,242,850	11.7
3	Milk (wholesale)	1,568,743	8.2
4	Broilers	1,557,135	8.1
5	Greenhouse and Nursery	1,435,467	7.5
6	Corn	1,224,534	6.4
7	Wheat	705,494	3.7
8	Sorghum Grain	665,885	3.5
9	Eggs	460,307	2.4
10	Hay	397,392	2.1
11	Peanuts	185,803	1.0
12	Rice	175,738	0.9
13	Hogs	130,691	0.7
14	Onions	82,163	0.4
15	Potatoes	78,576	0.4
	All Others	1,366,126	7.1
	TOTAL	19,172,529	

^{1/} Excludes government payments.

New Mexico Agricultural Cash Receipts by Commodity, 2008

Rank	Commodity	Receipts ^{1/}	Percent of total
		\$1,000	
1	Milk (wholesale)	1,362,200	43.7
2	Cattle and Calves	999,419	32.1
3	Hay	225,657	7.2
4	Other Field Crops	83,600	2.7
5	Pecans	62,350	2.0
6	Greenhouse Nursery	62,050	2.0
7	Onions	47,520	1.5
8	Wheat	38,079	1.2
9	Corn	37,800	1.2
10	Chile	31,801	1.0
11	Cotton	31,406	1.0
12	Misc. Vegetables	30,000	1.0
13	Other Livestock	21,000	0.7
14	Other Fruits and Nuts	17,300	0.6
15	Poultry and Eggs	17,183	0.6
	All Others	49,525	1.6
	TOTAL	3,116,890	

^{1/} Excludes government payments.

TOP TEN TEXAS COUNTIES a/ – SEPTEMBER 2009

County	Number of Producers	Pounds	% Change From 2008b/	County	Number of Producers	Pounds	% Change From 2008b/
1. Erath	85	93,693,065	+ 0.66	7. Bailey	9	42,052,872	+ 15.44
2. Parmer	12	68,876,854	+ 8.26	8. Hopkins	111	36,482,929	- 3.49
3. Deaf Smith	14	61,561,976	+ 2.28	9. Hale	5	31,294,656	+ 9.90
4. Castro	11	59,694,344	+ 10.82	10. Comanche	19	31,272,883	- 11.71
5. Lamb	10	42,890,271	+ 16.36	Ten County Total	286	510,652,610	+ 5.48 b/
6. Hartley	10	42,832,760	+ 11.58	Other Counties Total	307	178,084,808	+ 3.60
				Texas Total	593	688,737,418	+ 4.99

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-----							
July 2008	23.78	16.81	18.24	16.60	1.85	167.74	7.07	400.25	.00098	151.80	195.85	140.53	26.42
August	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

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

TOP NEW MEXICO COUNTIES a/ – SEPTEMBER 2009

County	Number of Producers	Pounds	% Change From 2008b/	County	Number of Producers	Pounds	% Change From 2008b/
1. Chaves	35	154,614,502	- 4.01	7. Eddy	4	16,242,545	- 23.43
2. Curry	27	141,046,412	+ 1.97	8. Valencia	5	14,216,968	+ 7.21
3. Roosevelt	38	125,734,341	- 4.81	9. Luna	3	8,605,317	+ 28.44
4. Dona Ana	20	80,913,923	+ 0.35	9. Bernalillo	4	5,496,796	+ 5.68
5. Lea	12	43,764,842	+ 8.51	Nine County Total	156	610,270,328	- 1.28 b/
6. Socorro	8	19,634,682	+ 1.42	Other Counties Total	2	12,007,800	+ 89.41
				New Mexico Total	158	622,278,128	- 0.36

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 SEPTEMBER 2009, WITH PRODUCTION PERCENTAGE COMPARISONS**

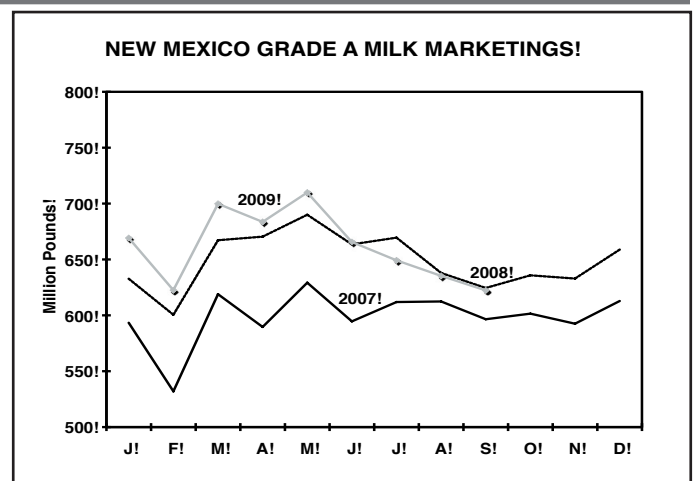
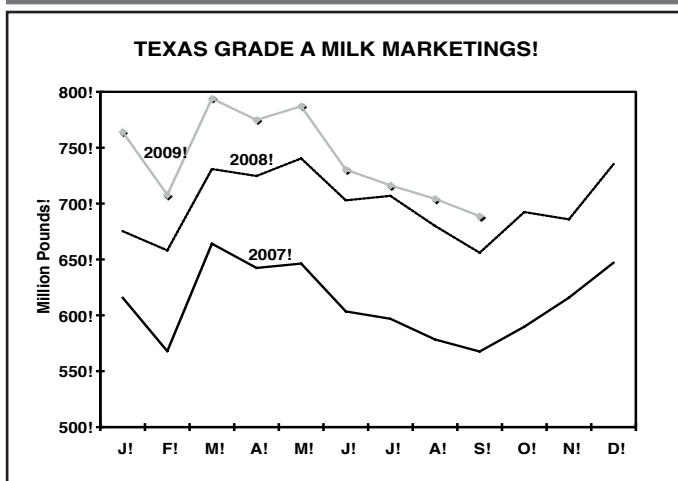
MONTH	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	PERCENT 2008/07	CHANGE 2009/08
January	615,854,742	697	675,265,283	654	764,064,476	636	+ 9.65	+ 13.15
February	567,905,237	692	658,108,461	658	707,786,943	631	+ 11.89*	+ 11.39*
March	664,126,490	694	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			+ 14.02	
November	615,810,876	660	685,894,611	646			+ 11.38	
December	647,114,088	655	735,262,255	640			+ 13.62	
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 SEPTEMBER 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			+ 3.38	
November	592,544,809	171	632,916,136	175			+ 6.81	
December	612,751,685	172	658,804,868	173			+ 7.52	
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 ^{a/}	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
September 2008	3.70	3.55	3.08	3.00	5.72	5.74	8.80	8.74	341	281
October	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

a/ In thousands.

SEPTEMBER 2009
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$465,276.00
Class I Butterfat	60(a)	7,955,551	\$1.2946	\$10,299,256.33
Class I Skim Per Cwt		355,912,964	\$9.7400	\$34,665,922.70
Class II Butterfat	60(b)	7,513,646	\$1.2296	\$9,238,779.15
Class II Nonfat Solids		8,210,059	\$0.7722	\$6,339,807.57
Class III Butterfat	60(c)	12,514,459	\$1.2226	\$15,300,177.58
Class III Protein		10,669,726	\$2.4243	\$25,866,616.75
Class III Other Solids		20,199,737	\$0.1018	\$2,056,333.23
Class IV Butterfat	60(d)	1,827,487	\$1.2226	\$2,234,285.60
Class IV Nonfat Solids		2,766,539	\$0.7906	\$2,187,225.74
Class II, III & IV Somatic Cell Adj.	60(e)			\$370,620.43
Total Producer Milk-Product Lbs & Value		844,430,846		\$109,024,301.08
Add: Value as for 60(f) Thru 60(j)				\$180,197.07
Less: Total Protein Pounds	61(b)	25,859,206	\$2.4243	\$62,690,473.14
Total Other Solids Pounds		48,567,191	\$0.1018	\$4,944,140.07
Total Butterfat Pounds		29,811,143	\$1.2226	\$36,447,103.48
Total Value of Somatic Cell Adjustment				\$564,501.52
Total Milk and Value		844,430,846		\$4,558,279.94
Add: Location Differential Adjustments	61(c)			\$3,049,096.71
Producer-Settlement Fund	61(d)			\$415,419.56
Total Producer Milk/URSP and Value		844,430,846	\$0.95008	\$8,022,796.21
Less: Producer-Settlement Fund	61(f)		\$0.04008	\$338,473.39
Producer Price Differential (Dallas County)			\$0.91	\$7,684,322.82

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CARY HUNTER, MARKET ADMINISTRATOR
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939

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**SEPTEMBER 2009
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	363,868,515	43.09	7,955,551	26.69	355,912,964	43.69
Class II	97,341,606	11.53	7,513,646	25.20	89,827,960	11.03
Class III	351,095,783	41.58	12,514,459	41.98	338,581,324	41.56
Class IV	32,124,942	3.80	1,827,487	6.13	30,297,455	3.72
Total	844,430,846	100.00	29,811,143	100.00	814,619,703	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,379,341	44.00	21,200,993	43.66	32,580,338	43.77
Class II	2,851,444	11.03	5,358,615	11.03	8,210,059	11.03
Class III	10,669,726	41.26	20,199,737	41.59	30,869,461	41.48
Class IV	958,695	3.71	1,807,846	3.72	2,766,539	3.72
Total	25,859,206	100.00	48,567,191	100.00	74,426,397	100.00