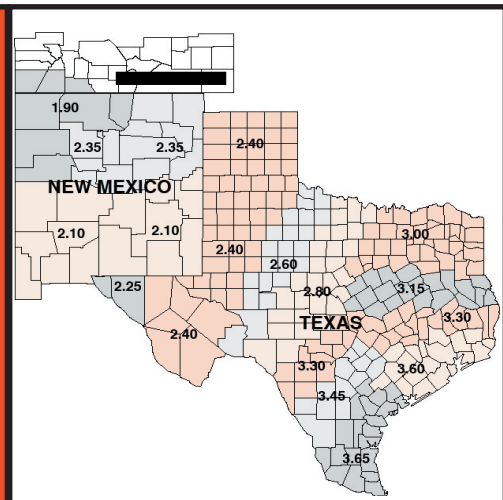


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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VOLUME XXXVI, NO. 12

DECEMBER 2010

## MARKET SUMMARY FOR NOVEMBER

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 \$2.25 for November. Butterfat price decreased \$0.2014 per pound from \$2.4436 in October to the level of \$2.2422 in November. Protein price decreased \$0.2758 per pound from \$2.4739 in October to \$2.1981 in November. November's Other Solids price increased \$0.0034 per pound from \$0.1763 in October to \$0.1797 in November. The Somatic Cell Count adjustment rate factor for November was 0.00081 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a November statistical uniform price of \$17.69 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 \$0.63 in comparison to the statistical uniform price of \$18.32 in October.

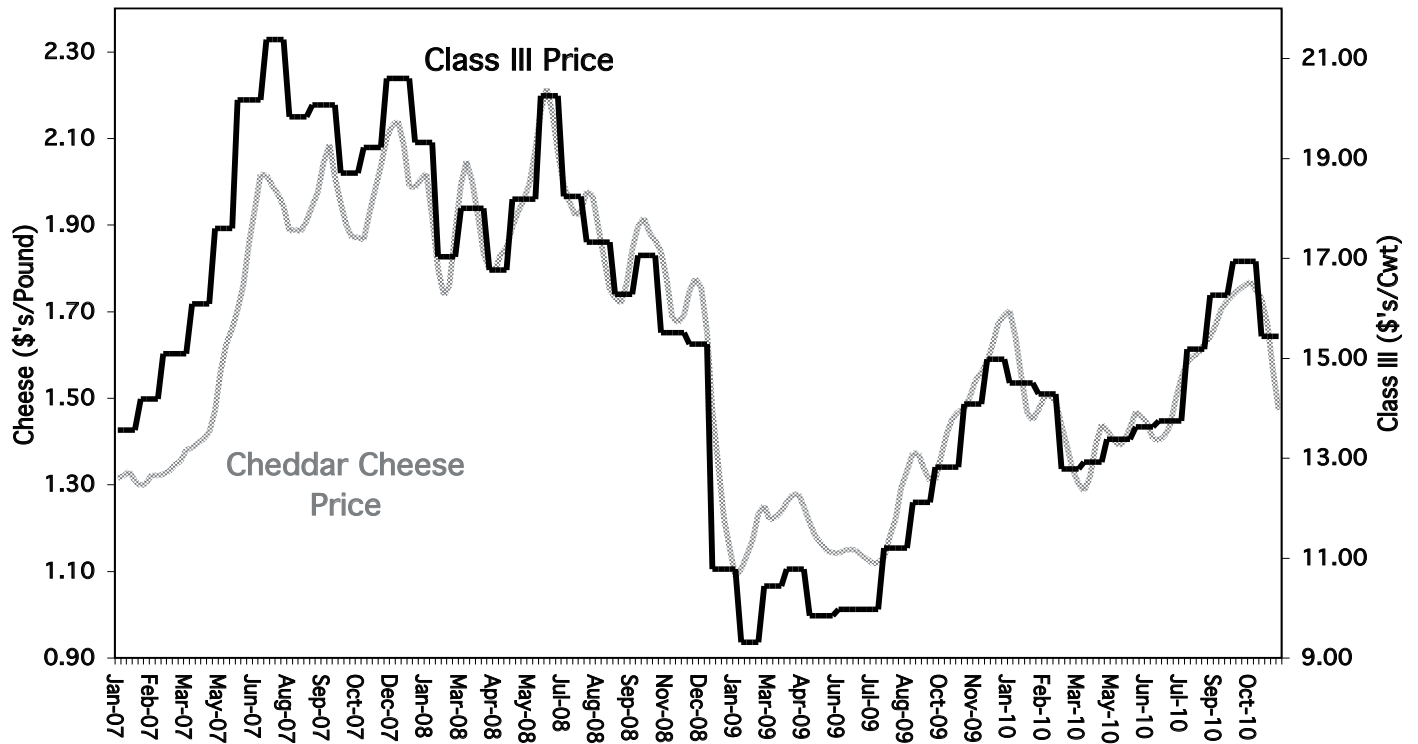
The November Class I price increased \$0.66 from \$19.58 in October to the November level of \$20.24. The Class II price for November of \$17.21 per hundredweight decreased \$0.36 from \$17.57 in October. November's Class III price increased \$1.50 from \$16.94 in October to \$15.44 in November. The Class IV price decreased \$0.47 from \$17.15 in October to \$16.68 in November.

In November 546 producers delivered a total of 900,947,254 pounds of milk. On a daily basis this represents a decrease of 0.22 percent from the producer receipts level in October but it represents an increase of 81.60 percent when compared to the producer receipts level of November 2009.

Producer milk classified as Class I during November amounted to 42.79 percent of total producer receipts. This figure is up from 40.62 percent in October but it is down from 72.13 percent in November 2009. The average butterfat test of producer milk pooled during November was 3.785 percent, average protein test was 3.190 percent, average other solids test was 5.785 percent and the average somatic cell count was 204,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov 10	Oct 10	Nov 10	Oct 10	Nov 10	Oct 10
Appalachian - FO 5	19.45	19.50	-----	-----	71.48	69.03
Arizona - FO 131	17.30	17.81	-----	-----	34.78	34.60
Central - FO 32	16.67	17.35	1.23	0.41	35.79	33.01
Florida - FO 6	21.61	21.46	-----	-----	86.61	85.57
Mideast - FO 33	17.02	17.56	1.58	0.62	45.40	40.20
Northeast - FO 1	18.17	18.61	2.73	1.67	45.70	45.10
Pacific Northwest - FO 124	16.71	17.35	1.27	0.41	30.67	28.02
Southeast - FO 7	19.62	19.84	-----	-----	70.55	70.27
<b>Southwest - FO 126</b>	<b>17.69</b>	<b>18.32</b>	<b>2.25</b>	<b>1.38</b>	<b>42.79</b>	<b>40.62</b>
Upper Midwest - FO 30	15.92	17.17	0.48	0.23	14.40	13.50

## NASS 40# Block Cheddar Cheese U.S. Prices and Class III Prices January 2007 to November 2010



### USDA NAMES MEMBERS TO THE NATIONAL DAIRY BOARD

Agriculture Secretary Thomas J. Vilsack has announced the appointment of 12 members to the National Dairy Promotion and Research Board. All appointees will serve three-year terms.

"These appointees represent a diverse cross section of the dairy industry and I am confident that they will serve dairy producers throughout the United States well," said Vilsack.

Newly appointed members are: Renae A. De Jager, Region 2 (California); Jeffrey A. Hardy, Region 3 (Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming); Steven R. Hanson, Region 4 (Arkansas, Kansas, New Mexico, Oklahoma, and Texas); Douglas T. Danielson, Region 6 (Wisconsin); Douglas L. Krickenbarger, Region 9 (Indiana, Michigan, Ohio, and West Virginia); Zachary H. Myers, Region

10 (Florida, Georgia, North Carolina, South Carolina, and Virginia); David P. Crowl, Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); and Sanford Stauffer, Region 12 (New York).

Reappointed members are: James L. Ahlem, Region 2; John B. Fiscalini, Region 2; Stephen D. Maddox, Region 2; and Brad J. Scott, Region 2.

The National Dairy Promotion and Research Board oversees the collection of the mandatory 15-cent per hundredweight assessment on all milk marketed commercially by dairy producers. In addition, the board develops and administers a coordinated program of promotion, research, and nutrition education.

The board is authorized by the Dairy Production Stabilization Act of 1983. The Agriculture Secretary selects the appointees from nominations by dairy producers and farm organizations.

**TOP TEN TEXAS COUNTIES a/ – NOVEMBER 2010**

County	Number of Producers	Pounds	% Change From 2009b/	County	Number of Producers	Pounds	% Change From 2009b/
1. Erath	80	89,910,519	- 5.35	7. Bailey	10	42,058,205	+ 1.57
2. Castro	12	71,249,225	+ 14.30	8. Comanche	19	35,245,725	+ 4.51
3. Parmer	13	68,995,560	+ 7.90	9. Hopkins	94	34,895,449	- 7.84
4. Deaf Smith	12	60,842,316	- 3.17	10. Hale	6	34,464,027	+ 2.14
5. Hartley	11	49,443,720	+ 15.97	Ten County Total	267	532,839,133	+ 3.09 b/
6. Lamb	10	45,734,387	+ 5.36	<u>Other Counties Total</u>	<u>288</u>	<u>191,068,924</u>	<u>+ 2.64</u>
				<b>Texas Total</b>	<b>555</b>	<b>723,908,057</b>	<b>+ 2.97</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.

**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 2009	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
November	3.81	3.66	3.21	3.15	5.74	5.76	8.95	8.91	260	194
December	3.86	3.71	3.22	3.15	5.74	5.76	8.96	8.91	256	213
Averages 2009	3.70	3.53	3.11	3.04	5.73	5.76	8.85	8.80	265	207
January 2010	3.86	3.69	3.17	3.10	5.74	5.76	8.92	8.87	276	227
February	3.88	3.69	3.19	3.11	5.73	5.75	8.92	8.86	336	278
March	3.75	3.56	3.16	3.08	5.75	5.76	8.91	8.85	299	230
April	3.64	3.47	3.11	3.03	5.76	5.77	8.87	8.80	276	208
May	3.61	3.42	3.09	3.00	5.75	5.77	8.84	8.77	274	193
June	3.56	3.37	3.01	2.92	5.75	5.77	8.76	8.69	287	206
July	3.56	3.37	3.04	2.93	5.75	5.77	8.79	8.70	323	243
August	3.59	3.40	3.03	2.92	5.74	5.75	8.77	8.67	326	260
September	3.67	3.48	3.10	2.99	5.74	5.76	8.85	8.75	297	229
October	3.80	3.60	3.21	3.10	5.77	5.77	8.98	8.88	262	205
November	3.92	3.74	3.26	3.16	5.78	5.79	9.03	8.96	237	184

a/ In thousands.

**TOP NEW MEXICO COUNTIES a/ – NOVEMBER 2010**

County	Number of Producers	Pounds	% Change From 2009b/	County	Number of Producers	Pounds	% Change From 2009b/
1. Chaves	34	158,698,599	+ 2.40	7. Eddy	3	15,552,720	- 4.67
2. Curry	26	131,867,287	- 5.60	8. Valencia	5	15,102,952	+ 11.29
3. Roosevelt	37	123,414,025	- 1.66	9. Luna	3	14,381,720	+ 102.15
4. Dona Ana	21	87,315,007	+ 5.91	10. Bernalillo	4	5,148,529	+ 2.79
5. Lea	13	46,842,883	+ 2.85	Ten County Total	154	618,028,256	+ 1.44 b/
6. Socorro	8	19,704,534	+ 3.20	<u>Other Counties Total</u>	<u>2</u>	<u>10,908,712</u>	<u>- 3.83</u>
				<b>New Mexico Total</b>	<b>156</b>	<b>628,936,968</b>	<b>+ 1.34</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 2008 THROUGH NOVEMBER 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

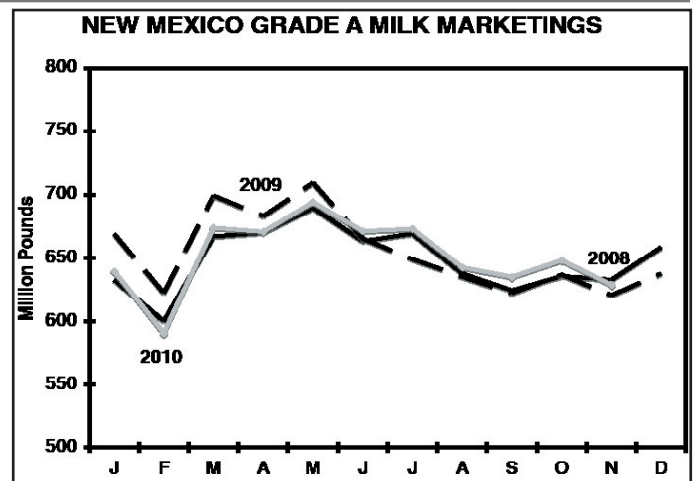
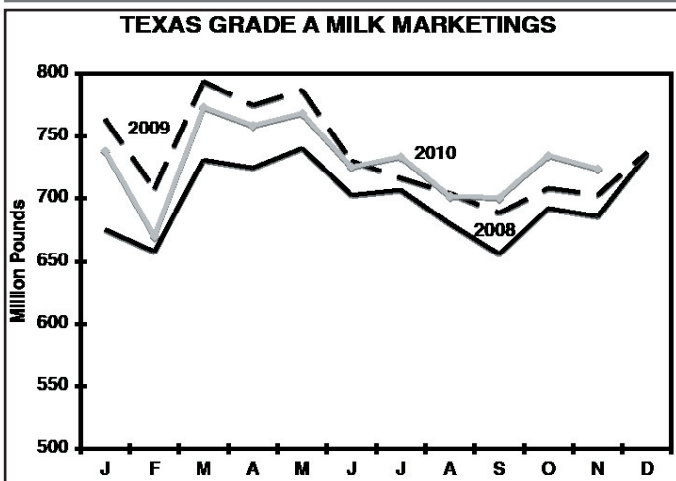
MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	675,265,283	654	764,064,476	636	738,423,690	582	+ 13.15	- 3.36
February	658,108,461	658	707,786,943	631	670,435,107	578	+ 11.39*	- 5.28
March	730,859,173	659	793,989,726	635	773,286,159	577	+ 8.64	- 2.61
April	724,651,306	659	774,795,518	631	759,108,028	575	+ 6.92	- 2.02
May	740,427,008	659	787,077,681	629	768,833,368	571	+ 6.30	- 2.32
June	702,946,861	656	730,380,337	622	725,500,766	565	+ 3.90	- .067
July	706,911,758	657	716,344,326	598	733,719,075	568	+ 1.33	+ 2.43
August	679,996,118	654	704,267,950	597	702,002,272	559	+ 3.57	- 0.32
September	656,032,884	646	688,737,418	593	701,066,340	558	+ 4.99	+ 1.79
October	692,397,097	648	708,312,372	590	734,745,862	554	+ 2.30	+ 3.73
November	685,894,611	646	703,046,885	591	723,908,057	555	+ 2.50	+ 2.97
December	<u>735,262,255</u>	640	<u>737,072,970</u>	581			<u>+ 0.25</u>	
Years Total	8,388,752,815		8,815,876,602				+ 5.09	

\* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2008 THROUGH NOVEMBER 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	632,699,151	173	669,161,661	170	639,455,640	157	+ 5.76	- 4.44
February	600,488,935	169	622,538,938	167	591,156,278	158	+ 7.37*	- 5.04
March	667,225,545	170	699,808,110	168	674,164,265	159	+ 4.88	- 3.66
April	670,437,294	170	683,575,106	164	670,976,253	159	+ 1.96	- 1.84
May	690,007,674	173	709,872,347	165	694,638,948	160	+ 2.88	- 2.15
June	663,052,878	172	665,627,017	166	671,649,637	159	+ 0.39	+ 0.90
July	669,450,030	172	649,187,109	158	673,350,559	159	- 3.03	+ 3.72
August	637,877,538	172	635,258,249	157	642,846,047	159	- 0.41	+ 1.19
September	624,527,568	172	622,278,128	158	635,203,468	156	- 0.36	+ 2.08
October	635,779,456	174	636,944,152	157	648,369,979	156	+ 0.18	+ 1.79
November	632,916,136	175	620,605,564	157	628,936,968	156	- 1.95	+ 1.34
December	<u>658,804,868</u>	173	<u>641,902,168</u>	156			<u>- 2.57</u>	
Years Total	7,783,267,073		7,856,758,549				+ 0.94	

\* Based on average daily deliveries.



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**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-----						
September 2009	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
November	15.86	13.24	14.08	13.25	0.95	146.56	15.24	269.91	.00076	138.17	151.69	111.20	34.71
December	16.99	14.25	14.98	15.01	1.02	154.33	17.27	287.51	.00080	144.59	159.69	128.58	36.68
Averages 2009 b/	14.48	11.26	11.36	10.89	1.46	125.71	6.12	220.87	.00065	120.96	129.66	92.23	25.85
January 2010	18.03	15.22	14.50	13.85	1.60	144.05	19.46	279.16	.00077	136.10	153.74	119.29	38.80
February	17.84	15.65	14.28	12.90	1.71	144.04	19.92	270.66	.00076	136.09	151.10	108.12	39.25
March	17.34	14.46	12.78	12.92	2.28	153.47	18.23	213.11	.00068	143.88	136.32	104.54	37.61
April	16.22	13.78	12.92	13.73	1.84	158.13	17.02	214.49	.00069	147.73	138.27	112.08	36.43
May	16.80	14.90	13.38	15.29	2.07	170.58	17.04	215.23	.00071	158.01	142.57	125.20	36.45
June	18.28	16.01	13.62	15.45	2.54	172.34	17.48	220.40	.00072	159.46	144.75	126.31	36.88
July	18.66	17.10	13.74	15.75	2.79	189.64	17.00	205.15	.00073	173.75	145.67	122.77	36.41
August	18.77	16.98	15.18	15.61	2.19	203.36	16.47	237.88	.00080	185.08	160.31	115.57	35.90
September	18.50	17.60	16.26	16.76	1.69	240.44	16.73	230.57	.00085	215.70	170.16	113.83	36.15
October	19.58	17.57	16.94	17.15	1.38	244.36	17.36	247.39	.00088	218.93	176.66	116.74	36.76
November	20.24	17.21	15.44	16.68	2.25	224.22	17.97	219.81	.00081	202.30	161.52	119.53	37.36

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

**NOVEMBER 2010  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$411,485.69
Class I Butterfat	60(a)	8,380,150	\$2.4795	\$20,778,581.93
Class I Skim Per Cwt		377,160,281	\$11.9800	\$45,183,801.66
Class II Butterfat	60(b)	6,905,977	\$2.2492	\$15,532,923.46
Class II Nonfat Solids		4,744,889	\$1.0756	\$5,103,602.63
Class III Butterfat	60(c)	16,094,440	\$2.2422	\$36,086,953.39
Class III Protein		13,232,891	\$2.1981	\$29,087,217.72
Class III Other Solids		24,103,291	\$0.1797	\$4,331,361.40
Class IV Butterfat	60(d)	2,720,629	\$2.2422	\$6,100,194.36
Class IV Nonfat Solids		3,501,209	\$1.0172	\$3,561,429.80
Class II, III & IV Somatic Cell Adj.	60(e)			\$650,145.43
Total Producer Milk-Product Lbs & Value		900,947,254		\$166,827,697.47
Add: Value as for 60(f) Thru 60(j)				(\$21,183.85)
Less: Total Protein Pounds	61(b)	28,746,965	<b>\$2.1981</b>	\$63,188,703.80
Total Other Solids Pounds		52,124,566	<b>\$0.1797</b>	\$9,366,784.53
Total Butterfat Pounds		34,101,196	<b>\$2.2422</b>	\$76,461,701.69
Total Value of Somatic Cell Adjustment				\$1,065,809.02
<b>Total Milk and Value</b>		900,947,254		\$16,723,514.58
Add: Location Differential Adjustments	61(c)			\$3,549,544.14
Producer-Settlement Fund	61(d)			\$389,058.55
<b>Total Producer Milk/URSP and Value</b>		900,947,254	\$2.29337	\$20,662,117.27
Less: Producer-Settlement Fund	61(f)		\$0.04337	\$390,804.05
<b>Producer Price Differential (Dallas County)</b>			<b>\$2.25</b>	<b>\$20,271,313.22</b>

**THE MARKET ADMINISTRATOR'S  
REPORT**

**SOUTHWEST MARKETING AREA**  
*CARY HUNTER*, MARKET ADMINISTRATOR  
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**NOVEMBER 2010  
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	385,540,431	42.79	8,380,150	24.57	377,160,281	43.51
Class II	57,743,566	6.41	6,905,977	20.25	50,837,589	5.86
Class III	417,377,614	46.33	16,094,440	47.20	401,283,174	46.30
Class IV	40,285,643	4.47	2,720,629	7.98	37,565,014	4.33
Total	900,947,254	100.00	34,101,196	100.00	866,846,058	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	12,585,298	43.78	22,703,954	43.56	35,289,252	43.63
Class II	1,688,145	5.87	3,056,743	5.86	4,744,889	5.87
Class III	13,232,891	46.03	24,103,291	46.24	37,336,181	46.17
Class IV	1,240,631	4.32	2,260,578	4.34	3,501,209	4.33
Total	28,746,965	100.00	52,124,566	100.00	80,871,531	100.00