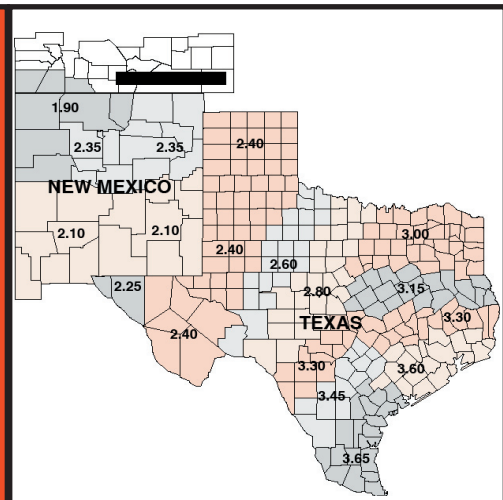


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR APRIL

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 \$1.84 for April. Butterfat price increased \$0.0466 per pound from \$1.5347 in March to the level of \$1.5813 in April. Protein price increased \$0.0138 per pound from \$2.1311 in March to \$2.1449 in April. April's Other Solids price decreased \$0.0121 per pound from \$0.1823 in March to \$0.1702 in April. The Somatic Cell Count adjustment rate factor for April was 0.00069 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an April statistical uniform price of \$14.76 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 \$0.30 in comparison to the statistical uniform price of \$15.06 in March.

The April Class I price decreased \$1.12 from \$17.34 in March to the April level of \$16.22. The Class II price for April of \$13.78 per hundredweight decreased \$0.68 from \$14.46 in March. April's Class III price increased \$0.14 from \$12.78 in March to \$12.92 in April. The Class IV price increased \$0.81 from \$12.92 in March to \$13.73 in April.

In April 497 producers delivered a total of 945,411,397 pounds of milk. On a daily basis this represents an increase of 3.83 percent from the producer receipts level in March but it represents a decrease of 8.74 percent when compared to the producer receipts level of April 2009.

Producer milk classified as Class I during April amounted to 38.28 percent of total producer receipts. This figure is down from 39.11 percent in March but it is up from 34.94 percent in April 2009. The average butterfat test of producer milk pooled during April was 3.519 percent, average protein test was 3.055 percent, average other solids test was 5.760 percent and the average somatic cell count was 233,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 10	Mar 10	Apr 10	Mar 10	Apr 10	Mar 10
Appalachian - FO 5	15.86	16.75	-----	-----	64.73	67.49
Arizona - FO 131	14.14	14.29	-----	-----	32.95	32.44
Central - FO 32	13.80	14.03	0.88	1.25	34.00	31.99
Florida - FO 6	18.20	19.13	-----	-----	88.74	87.06
Mideast - FO 33	14.03	14.52	1.11	1.74	37.10	40.10
Northeast - FO 1	15.11	15.54	2.19	2.76	41.80	42.60
Pacific Northwest - FO 124	13.79	13.86	0.87	1.08	29.02	27.28
Southeast - FO 7	16.03	16.80	-----	-----	62.18	64.02
<b>Southwest - FO 126</b>	<b>14.76</b>	<b>15.06</b>	<b>1.84</b>	<b>2.28</b>	<b>38.28</b>	<b>39.11</b>
Upper Midwest - FO 30	13.28	13.32	0.36	0.54	12.80	13.00

## MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS AND CALIFORNIA, 2009 ANNUAL AVERAGES, WITH COMPARISONS

For 2009, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$12.82 per cwt., \$5.58 lower than the all-area average reported for 2008. The component tests of producer milk in 2009 averaged: butterfat, 3.67%; protein 3.06%; and other solids, 5.71%. On an individual reporting area basis, mailbox prices decreased in all Federal milk orders reporting areas, and ranged from \$15.79 in Florida to \$11.13 in New Mexico.

Perry, and all those to the south of these. 9/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 10/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 8/. 11/ All counties to the west of Fannin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 12/ Includes Oregon and Washington. 13/ Weighted average of the information for all selected reporting areas in Federal milk orders. 14/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

## DAIRY PRODUCTS, 2009 ANNUAL SUMMARY

Butter production in the United States during 2009 totaled 1.57 billion pounds, 4.3 percent below 2008. California was the leading state in butter production and accounted for 33.1 percent of the production, followed by Pennsylvania with 5.0 percent.

Total cheese production, excluding cottage cheeses, was 10.1 billion pounds, 2.0 percent above 2008 production. Wisconsin was the leading State with 26.0 percent of the production, followed by California with 20.4 percent and Idaho with 8.2 percent.

American type cheese production was 4.20 billion pounds, 2.3 percent above 2008 and accounted for 41.6 percent of total cheese in 2009. Wisconsin was the leading State with 20.2 percent of production, followed by Idaho with 16.0 percent and California with 15.3 percent.

Italian varieties, with 4.18 billion pounds were 1.4 percent above 2008 production and accounted for 41.4 percent of total cheese in 2009. Mozzarella accounted for 78.2 percent of the Italian production followed by Provolone with 8.3 percent and Ricotta with 5.9 percent. Wisconsin was the leading State in Italian cheese production with 29.5 percent of the production, followed by California with 29.1 percent and New York with 9.1 percent.

Ice cream, Regular totaled 920 million gallons, down 1.1 percent from 2008. Lowfat ice cream, at 381 million gallons, was down 0.6 percent.

Nonfat dry milk for human food totaled 1.51 billion pounds, down 0.7 percent. California was the leading state with 55.2 percent of the production. Skim milk powders totaled 222 million pounds, down 40.6 percent.

Dry whey for human food production, at 951 million pounds, was down 7.2 percent. Lactose, Human and Animal production was 723 million pounds, down 3.1 percent.

Dairy Plants: During 2009, there were 1,178 dairy plants in the U.S. manufacturing one or more dairy products, 53 more than in 2008.

Source: "Dairy Products 2009 Summary," Da 2-1(10), National Agricultural Statistics Service, Agricultural Statistics Board, USDA.

Reporting Area <sup>1/</sup>	Mailbox Milk Price <sup>2/ 3/</sup>		
	2008	2009	Change 2009 from 2008
	Dollars per cwt.		
New England States <sup>4/</sup>	19.16	13.59	-5.57
New York	18.09	12.75	-5.34
Eastern Pennsylvania <sup>5/</sup>	18.60	13.07	-5.53
Appalachian States <sup>6/</sup>	20.11	13.97	-6.14
Southeast States <sup>7/</sup>	20.90	14.52	-6.38
Southern Missouri <sup>8/</sup>	18.80	12.39	-6.41
Florida	22.39	15.79	-6.60
Western Pennsylvania <sup>9/</sup>	18.76	13.00	-5.76
Ohio	18.83	13.39	-5.44
Indiana	18.76	12.94	-5.82
Michigan	18.14	12.63	-5.51
Wisconsin	18.63	12.88	-5.75
Minnesota	18.65	12.90	-5.75
Iowa	18.26	13.03	-5.23
Illinois	18.52	12.95	-5.57
Corn Belt States <sup>10/</sup>	17.76	12.52	-5.24
Western Texas <sup>11/</sup>	17.19	11.96	-5.23
New Mexico	16.32	11.13	-5.19
Northwest States <sup>12/</sup>	17.37	12.10	-5.27
All Market Avg. <sup>13/</sup>	18.40	12.82	-5.58
California <sup>14/</sup>	16.17	11.02	-5.15

1/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 2/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from that area. 3/ Figures are annual averages -- the weighted average of the monthly figures; except California, which is the simple average. 4/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 5/ All counties to the east of those listed in 9/. 6/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 7/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 8/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and

## TOP TEN TEXAS COUNTIES a/ – APRIL 2010

County	Number of Producers	Pounds	% Change From 2009b/	County	Number of Producers	Pounds	% Change From 2009b/
1. Erath	84	103,859,411	- 5.99	7. Lamb	9	44,159,292	+ 11.64
2. Castro	12	69,203,810	+ 15.92	8. Bailey	10	42,657,360	- 1.65
3. Parmer	13	66,143,093	- 3.71	9. Comanche	19	38,910,101	- 14.14
4. Deaf Smith	13	59,397,785	- 5.30	10. Hale	6	33,245,566	+ 5.14
5. Hartley	10	46,635,413	+ 8.14	Ten County Total	281	550,143,437	- 1.03 b/
6. Hopkins	105	45,931,606	- 10.45	Other Counties Total	294	208,964,591	- 4.55
				<b>Texas Total</b>	575	759,108,028	- 2.02

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
February 2009	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
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

a/ In thousands.

## TOP NEW MEXICO COUNTIES a/ – APRIL 2010

County	Number of Producers	Pounds	% Change From 2009b/	County	Number of Producers	Pounds	% Change From 2009b/
1. Chaves	34	169,884,288	- 3.53	7. Eddy	3	17,306,220	- 33.54
2. Curry	27	145,716,339	- 0.12	8. Valencia	5	14,721,635	+ 2.14
3. Roosevelt	38	129,941,834	- 7.07	9. Luna	3	14,160,350	+ 51.11
4. Dona Ana	21	94,811,564	+ 4.84	10. Bernalillo	4	5,493,421	- 2.66
5. Lea	14	48,612,505	+ 6.55	Ten County Total	157	660,812,713	- 1.85 b/
6. Socorro	8	20,164,557	+ 1.20	Other Counties Total	2	10,163,540	- 1.25
				<b>New Mexico Total</b>	159	670,976,253	- 1.84

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 APRIL 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

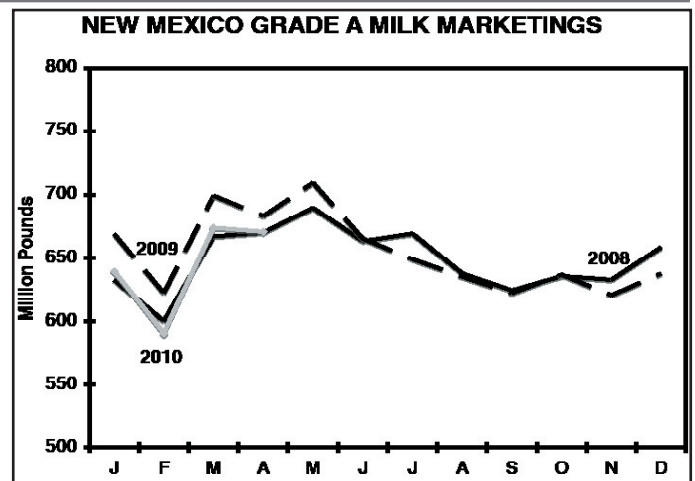
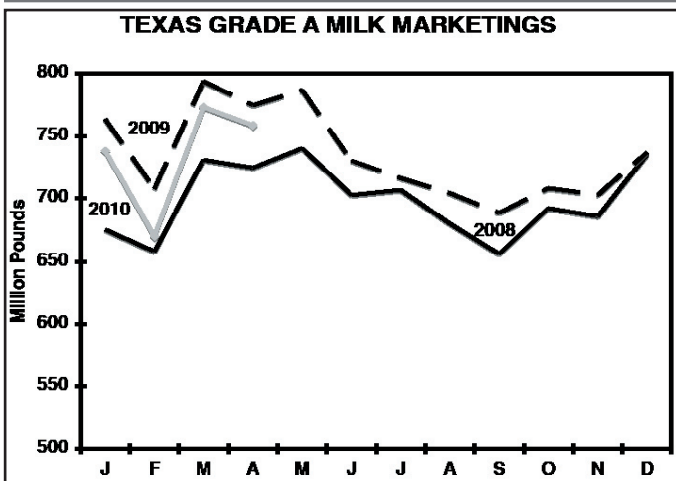
MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	675,265,283	654	764,064,476	636	738,423,690	582	+ 13.15	- 3.36
February	658,108,461	658	707,786,943	631	670,435,107	578	+ 11.39*	- 5.28
March	730,859,173	659	793,989,726	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			+ 6.30	
June	702,946,861	656	730,380,337	622			+ 3.90	
July	706,911,758	657	716,344,326	598			+ 1.33	
August	679,996,118	654	704,267,950	597			+ 3.57	
September	656,032,884	646	688,737,418	593			+ 4.99	
October	692,397,097	648	708,312,372	590			+ 2.30	
November	685,894,611	646	703,046,885	591			+ 2.50	
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 APRIL 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			+ 2.88	
June	663,052,878	172	665,627,017	166			+ 0.39	
July	669,450,030	172	649,187,109	158			- 3.03	
August	637,877,538	172	635,258,249	157			- 0.41	
September	624,527,568	172	622,278,128	158			- 0.36	
October	635,779,456	174	636,944,152	157			+ 0.18	
November	632,916,136	175	620,605,564	157			- 1.95	
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-----						
February 2009	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
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

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

**APRIL 2010  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$477,115.77
Class I Butterfat	60(a)	7,594,348	\$1.5479	\$11,755,291.27
Class I Skim Per Cwt		354,299,439	\$11.1900	\$39,646,107.26
Class II Butterfat	60(b)	6,286,170	\$1.5883	\$9,984,323.83
Class II Nonfat Solids		3,425,935	\$0.9467	\$3,243,332.69
Class III Butterfat	60(c)	16,120,159	\$1.5813	\$25,490,807.45
Class III Protein		13,440,652	\$2.1449	\$28,828,854.50
Class III Other Solids		25,532,918	\$0.1702	\$4,345,702.64
Class IV Butterfat	60(d)	3,272,236	\$1.5813	\$5,174,386.80
Class IV Nonfat Solids		8,498,044	\$0.9435	\$8,017,904.51
Class II, III & IV Somatic Cell Adj.	60(e)			\$521,484.48
Total Producer Milk-Product Lbs & Value		945,411,397		\$137,485,311.20
Add: Value as for 60(f) Thru 60(j)				\$197,351.50
Less: Total Protein Pounds	61(b)	28,890,097	<b>\$2.1449</b>	\$61,966,369.07
Total Other Solids Pounds		54,457,066	<b>\$0.1702</b>	\$9,268,592.66
Total Butterfat Pounds		33,272,913	<b>\$1.5813</b>	\$52,614,457.34
Total Value of Somatic Cell Adjustment				\$765,588.03
<b>Total Milk and Value</b>		945,411,397		\$13,067,655.60
Add: Location Differential Adjustments	61(c)			\$4,308,862.74
Producer-Settlement Fund	61(d)			\$435,648.29
<b>Total Producer Milk/URSP and Value</b>		945,411,397	\$1.88406	\$17,812,166.63
Less: Producer-Settlement Fund	61(f)		\$0.04406	\$416,596.93
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.84</b>	<b>\$17,395,569.70</b>

**THE MARKET ADMINISTRATOR'S  
REPORT**

**SOUTHWEST MARKETING AREA**  
*CARY HUNTER*, MARKET ADMINISTRATOR  
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939

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RETURN SERVICE REQUESTED

**APRIL 2010  
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	361,893,787	38.28	7,594,348	22.82	354,299,439	38.84
Class II	43,692,027	4.62	6,286,170	18.89	37,405,857	4.10
Class III	443,635,368	46.93	16,120,159	48.46	427,515,209	46.87
Class IV	96,190,215	10.17	3,272,236	9.83	92,917,979	10.19
Total	945,411,397	100.00	33,272,913	100.00	912,138,484	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,304,257	39.14	21,145,360	38.82	32,449,618	38.93
Class II	1,194,269	4.13	2,231,666	4.10	3,425,935	4.11
Class III	13,440,652	46.52	25,532,917	46.89	38,973,566	46.76
Class IV	2,950,919	10.21	5,547,123	10.19	8,498,044	10.20
Total	28,890,097	100.00	54,457,066	100.00	83,347,163	100.00