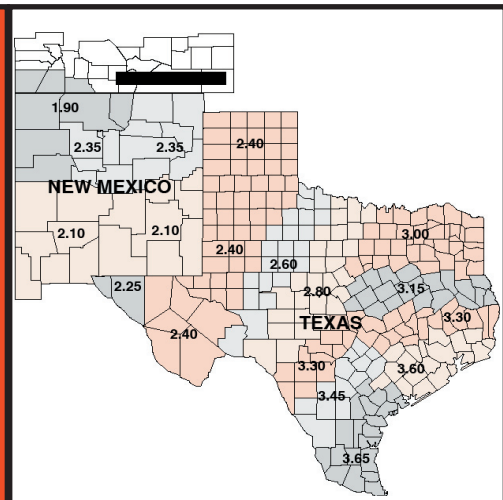


THE MARKET ADMINISTRATOR'S

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 \$1.38 for October. Butterfat price increased \$0.0392 per pound from \$2.4044 in September to the level of \$2.4436 in October. Protein price increased \$0.1682 per pound from \$2.3057 in September to \$2.4739 in October. October's Other Solids price increased \$0.0063 per pound from \$0.1673 in September to \$0.1736 in October. The Somatic Cell Count adjustment rate factor for October was 0.00088 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a October statistical uniform price of \$18.32 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 \$0.37 in comparison to the statistical uniform price of \$17.95 in September.


The October Class I price increased \$1.08 from \$18.50 in September to the October level of \$19.58. The Class II price for October of \$17.57 per hundred-weight decreased \$0.03 from \$17.60 in September. October's Class III price increased \$0.68 from \$16.26 in September to \$16.94 in October. The Class IV price increased \$0.39 from \$16.76 in September to \$17.15 in October.

In October 479 producers delivered a total of 933,065,664 pounds of milk. On a daily basis this represents an increase of 4.35 percent from the producer receipts level in September and it represents an increase of 6.98 percent when compared to the producer receipts level of October 2009.

Producer milk classified as Class I during October amounted to 40.62 percent of total producer receipts. This figure is down from 43.38 percent in September and it is down from 43.78 percent in October 2009. The average butterfat test of producer milk pooled during October was 3.643 percent, average protein test was 3.131 percent, average other solids test was 5.772 percent and the average somatic cell count was 226,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Oct 10	Sep 10	Oct 10	Sep 10	Oct 10	Sep 10
Appalachian - FO 5	19.50	19.16	-----	-----	69.03	72.77
Arizona - FO 131	17.81	17.33	-----	-----	34.60	37.01
Central - FO 32	17.35	17.01	0.41	0.75	33.01	33.61
Florida - FO 6	21.46	21.04	-----	-----	85.57	87.86
Mideast - FO 33	17.56	17.26	0.62	1.00	40.20	43.50
Northeast - FO 1	18.61	18.33	1.67	2.07	45.10	45.30
Pacific Northwest - FO 124	17.35	16.94	0.41	0.68	28.02	28.91
Southeast - FO 7	19.84	19.38	-----	-----	70.27	74.01
Southwest - FO 126	18.32	17.95	1.38	1.69	40.62	43.38
Upper Midwest - FO 30	17.17	16.60	0.23	0.34	13.50	13.90

AGRICULTURAL RESOURCE MANAGEMENT SURVEY (ARMS)




ARMS: AGRICULTURAL RESOURCE MANAGEMENT SURVEY

ARMS is the USDA's primary source of information on the production practices, resource use, and economic well-being of America's farm households.

Your participation in ARMS ensures that decisions affecting you, your family, your business, and your community are based on the facts, straight from the source.

CONSIDER: Just about every Federal policy and program that affects U.S. farmers and farm families is based on this information.



United States Department of Agriculture
National Agricultural Statistics Service

For more information visit www.nass.usda.gov or call (800) 727-9540

BETTER DATA = BETTER DECISIONS

The ARMS collects production practices and cost of production data on selected commodities. The ARMS also collects detailed whole farm financial information from a representative sample of farms and ranches across the country. ARMS is collected in three data collection phases:

The initial phase, ARMS Screening survey, collects general farm data such as crops grown, livestock inventory, and value of sales. Screening data are used to qualify (or screen) farms for the other phases.

The second phase, (Phase II), collects data associated with agricultural production practices, resource use, and variable costs of production for specific commodities. Commodities are surveyed on a predetermined rotation with up to five commodities surveyed in a given year. In 2011 dairy will be one of the featured commodities. Farm operators will provide data on fertilizer and nutrient applications, pesticide applications, pest management practices, and irrigation.

The final phase, (Phase III) collects whole farm finance, operator characteristics, and farm household information. Farm operators provide data on farm operating expenditures, capital improvements, assets, and debt for agricultural production. In addition, operators provide data on farm-related income, government payments, the source and amount of off-farm income, and characteristics of themselves and their household.

TENTATIVE RELEASE DATES FOR 2011 FEDERAL MILK ORDER PRICE DATA

Based on current Federal milk order rules, listed below are the release dates for the Federal milk order program for price data applicable to January through December 2011. These release dates are subject to change. 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. Due to the Federal holiday on December 24, 2010, the release date and time for the January Advanced Prices and Pricing Factors is Thursday, December 23, 2010, at 2:00 p.m. EST.

2011 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 ^{1/}	Release Date	Time Period of NASS Prices ^{1/}
January	December 23, 2010	12/11, 18	February 4, 2011	1/1, 8, 15, 22, 29
February	January 21, 2011	1/8, 15	March 4	2/5, 12, 19, 26
March	February 18	2/5, 12	April 1	3/5, 12, 19, 26
April	March 18	3/5, 12	April 29	4/2, 9, 16, 23
May	April 22	4/9, 16	June 3	4/30, 5/7, 14, 21, 28
June	May 20	5/7, 14	July 1	6/4, 11, 18, 25
July	June 17	6/4, 11	August 5	7/2, 9, 16, 23, 30
August	July 22	7/9, 16	September 2	8/6, 13, 20, 27
September	August 19	8/6, 13	September 30	9/3, 10, 17, 24
October	September 23	9/10, 17	November 4	10/1, 8, 15, 22, 29
November	October 21	10/8, 15	December 2	11/5, 12, 19, 26
December	November 18	11/5, 12	December 30	12/3, 10, 17, 24

^{1/} 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 2010

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2009b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2009b/</u>
1. Erath	80	90,696,746	- 6.33	7. Bailey	10	40,313,151	- 3.55
2. Castro	12	73,737,673	+ 17.60	8. Comanche	19	35,879,272	+ 5.45
3. Parmer	13	71,293,108	+ 7.13	9. Hopkins	96	35,719,897	- 4.54
4. Deaf Smith	12	62,195,926	- 1.28	10. Hale	6	35,469,918	+ 3.17
5. Hartley	11	51,222,840	+ 18.27	Ten County Total	269	543,309,538	+ 3.81 b/
6. Lamb	10	46,781,007	+ 7.92	<u>Other Counties Total</u>	<u>285</u>	<u>191,436,324</u>	<u>+ 3.50</u>
				Texas Total	554	734,745,862	+ 3.73

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

<u>Month</u>	<u>Butterfat</u>		<u>Protein</u>		<u>Other Solids</u>		<u>S-N-F</u>		<u>SCC a/</u>	
	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>
August 2009	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
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

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – OCTOBER 2010

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2009b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2009b/</u>
1. Chaves	34	163,126,859	+ 1.83	7. Eddy	3	15,974,500	- 3.43
2. Curry	26	136,956,513	- 4.52	8. Valencia	5	15,393,206	+ 7.82
3. Roosevelt	37	128,594,489	- 0.88	9. Luna	3	15,083,800	+ 95.53
4. Dona Ana	21	88,989,127	+ 8.38	10. Bernalillo	4	5,341,122	- 1.65
5. Lea	13	47,647,675	+ 4.08	Ten County Total	154	637,155,259	+ 1.93 b/
6. Socorro	8	20,047,968	+ 1.04	<u>Other Counties Total</u>	<u>2</u>	<u>11,214,720</u>	<u>- 5.55</u>
				New Mexico Total	156	648,369,979	+ 1.79

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 OCTOBER 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

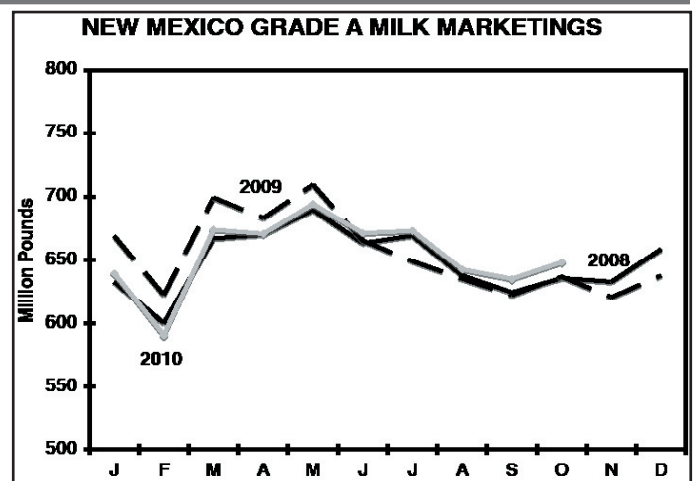
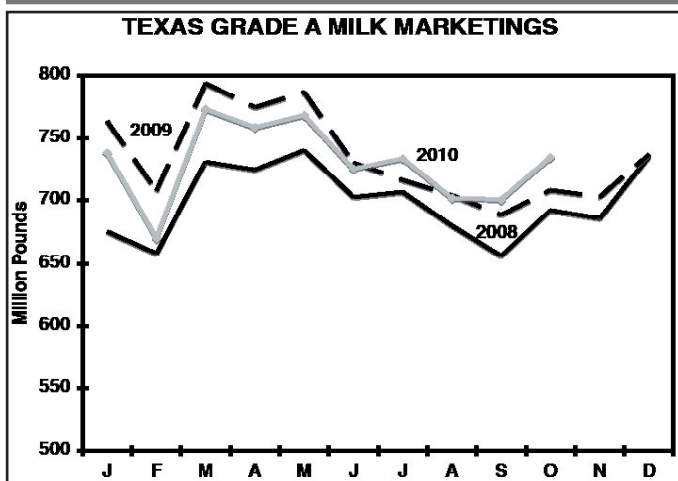
MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	675,265,283	654	764,064,476	636	738,423,690	582	+ 13.15	- 3.36
February	658,108,461	658	707,786,943	631	670,435,107	578	+ 11.39*	- 5.28
March	730,859,173	659	793,989,726	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			+ 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 OCTOBER 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			- 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-----						
August 2009	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
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

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

**OCTOBER 2010
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$406,583.04
Class I Butterfat	60(a)	7,915,832	\$2.3894	\$18,914,089.00
Class I Skim Per Cwt		371,083,674	\$11.6200	\$43,119,922.95
Class II Butterfat	60(b)	7,082,232	\$2.4506	\$17,355,717.77
Class II Nonfat Solids		5,160,909	\$1.0356	\$5,344,637.39
Class III Butterfat	60(c)	15,717,075	\$2.4436	\$38,406,244.49
Class III Protein		12,980,233	\$2.4739	\$32,111,798.43
Class III Other Solids		24,076,065	\$0.1736	\$4,179,604.87
Class IV Butterfat	60(d)	3,282,599	\$2.4436	\$8,021,358.93
Class IV Nonfat Solids		6,425,055	\$0.9896	\$6,358,234.43
Class II, III & IV Somatic Cell Adj.	60(e)			\$658,482.38
Total Producer Milk-Product Lbs & Value		933,065,664		\$174,876,673.68
Add: Value as for 60(f) Thru 60(j)				\$39,157.01
Less: Total Protein Pounds	61(b)	29,222,892	\$2.4739	\$72,294,512.54
Total Other Solids Pounds		53,857,999	\$0.1736	\$9,349,748.65
Total Butterfat Pounds		33,997,738	\$2.4436	\$83,076,872.57
Total Value of Somatic Cell Adjustment				\$1,017,241.82
Total Milk and Value		933,065,664		\$9,177,455.11
Add: Location Differential Adjustments	61(c)			\$3,733,257.41
Producer-Settlement Fund	61(d)			\$363,782.69
Total Producer Milk/URSP and Value		933,065,664	\$1.42267	\$13,274,495.21
Less: Producer-Settlement Fund	61(f)		\$0.04267	\$398,189.05
Producer Price Differential (Dallas County)			\$1.38	\$12,876,306.16

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

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

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	378,999,506	40.62	7,915,832	23.28	371,083,674	41.27
Class II	62,877,514	6.74	7,082,232	20.83	55,795,282	6.21
Class III	418,185,747	44.82	15,717,075	46.23	402,468,672	44.77
Class IV	73,002,897	7.82	3,282,599	9.66	69,720,298	7.75
Total	933,065,664	100.00	33,997,738	100.00	899,067,926	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	12,183,945	41.69	22,254,688	41.32	34,438,635	41.46
Class II	1,815,791	6.21	3,345,116	6.21	5,160,909	6.21
Class III	12,980,231	44.42	24,076,064	44.70	37,056,292	44.60
Class IV	2,242,925	7.68	4,182,131	7.77	6,425,055	7.73
Total	29,222,892	100.00	53,857,999	100.00	83,080,891	100.00