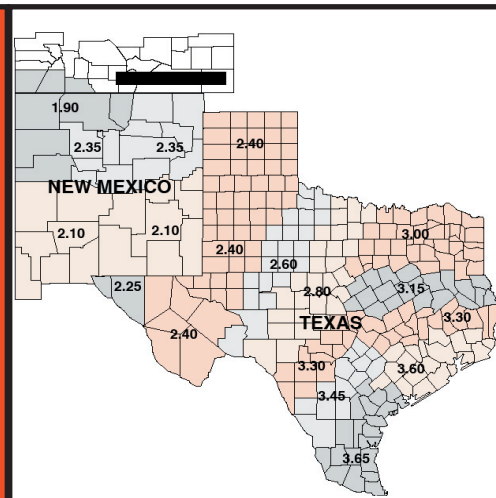


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

CARY HUNTER, MARKET ADMINISTRATOR
 P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939
 (972) 245-6060 FAX (972) 245-3211
 e-mail: sw.order@dallasma.com
 WWW: <http://www.dallasma.com>

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MARKET SUMMARY FOR JANUARY

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 \$2.76 for January. Butterfat price increased \$0.2287 per pound from \$1.7952 in December to the level of \$2.0239 in January. Protein price decreased \$0.4116 per pound from \$2.1706 in December to \$1.7590 in January. January's Other Solids price increased \$0.0015 per pound from \$0.1852 in December to \$0.2002 in January. The Somatic Cell Count adjustment rate factor for January was 0.00070 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a January statistical uniform price of \$16.24 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 \$0.15 in comparison to the statistical uniform price of \$16.39 in December.

The January Class I price decreased \$1.76 from \$19.96 in December to the January level of \$18.20. The Class II price for January of \$16.79 per hundred-weight increased \$1.02 from \$15.77 in December. January's Class III price decreased \$0.35 from \$13.83 in December to \$13.48 in January. The Class IV price increased \$1.39 from \$15.03 in December to \$16.42 in January.

In January 540 producers delivered a total of 1,000,733,545 pounds of milk. On a daily basis this represents an increase of 1.07 percent from the producer receipts level in December and it represents an increase of 13.59 percent when compared to the producer receipts level of January 2010.

Producer milk classified as Class I during January amounted to 39.58 percent of total producer receipts. This figure is up from 38.77 percent in December but it is down from 42.17 percent in January 2010. The average butterfat test of producer milk pooled during January was 3.827 percent, average protein test was 3.154 percent, average other solids test was 5.762 percent and the average somatic cell count was 187,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jan 11	Dec 10	Jan 11	Dec 10	Jan 11	Dec 10
Appalachian - FO 5	18.31	18.31	-----	-----	69.75	69.06
Arizona - FO 131	16.23	15.88	-----	-----	32.88	31.30
Central - FO 32	15.31	15.29	1.83	1.46	35.00	33.46
Florida - FO 6	20.32	20.69	-----	-----	83.94	85.73
Mideast - FO 33	15.78	15.76	2.30	1.93	44.60	42.70
Northeast - FO 1	17.01	16.91	3.53	3.08	42.50	45.30
Pacific Northwest - FO 124	15.57	15.32	2.09	1.49	28.35	29.45
Southeast - FO 7	18.01	18.33	-----	-----	64.85	64.67
Southwest - FO 126	16.24	16.39	2.76	2.56	39.58	38.77
Upper Midwest - FO 30	14.12	14.41	0.64	0.58	13.10	14.10

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, ANNUAL

Handler reports of receipts and utilization under the Federal milk order system for 2010 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During 2010, about 126.9 billion pounds of milk were received from producers. This volume of milk is 2.8 percent higher than the 2009 volume. There were significant volumes of milk not pooled due to intraorder disadvantageous price relationships in both years. About 44.9 billion pounds of producer milk were used in Class I products, 0.6 percent lower than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2010 as compared to 2009. The all-market average Class utilization percentages were: Class I = 35%, Class II = 11%, Class III = 45% and Class IV = 9%. The weighted average statistical uniform price was \$16.07 per cwt., \$3.64 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE YEAR 2010											
Federal Milk Order Marketing Area 1/	Order Number	Receipts of Producer Milk			Utilization of Producer Milk In Class I			Utilization of Producer Milk In Other Classes			Uniform Price 2/ \$ Per CWT.
		Total	Change From Prev. Year	Percent	Total	Change From Prev. Year	Percent	Class II	Class III	Class IV	
		Mil. Lbs.	Percent		Mil. Lbs.	Percent		Percent			
Northeast (Boston)	001	24,334.7	3.6	10,386.5	1.2	43	21	24	12	16.89	
Appalachian (Charlotte)	005	6,041.8	1.5	4,133.7	-0.4	68	16	7	9	17.91	
Southeast (Atlanta)	007	7,001.1	-2.3	4,684.1	-1.3	67	9	19	5	18.01	
Florida (Tampa)	006	2,901.7	-4.1	2,513.2	-3.1	87	8	2	3	20.10	
Mideast (Cleveland)	033 3/	16,021.6	-3.5	6,508.2	-4.9	40	16	37	7	15.79	
Upper Midwest (Chicago)	030 3/	33,803.1	5.0	4,384.7	-0.8	13	2	84	1	14.80	
Central (Kansas City)	032 3/	13,351.7	5.3	4,377.6	2.9	33	12	43	12	15.48	
Southwest (Dallas)	126 3/	11,210.4	3.7	4,345.6	1.2	39	6	45	10	16.45	
Arizona (Phoenix)	131	4,231.9	4.7	1,400.0	-1.9	33	8	30	29	15.81	
Pacific Northwest (Seattle)	124	8,010.8	7.2	2,236.0	-1.4	28	7	40	25	15.41	
All Market Average or Total	3/	126,908.8	2.8	44,969.6	-0.6	35	11	45	9	16.07	

1/ Names in parentheses are the major city in the principal pricing point of the market.

2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 2.779 billion pounds of milk that normally would have been associated with these markets. In 2009, the estimated not pooled volume of milk was 4.362 billion pounds, occurring in order numbers 030, 032, 033, 124, and 126. After adjusting for non pooled milk, the year-to-year percent change is +1.5%.
SOURCE: "Dairy Market News", February 7-11, 2011, Volume 78, Report 66.

TOP TEN TEXAS COUNTIES a/ – JANUARY 2011

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2010b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2010b/</u>
1. Erath	84	104,499,954	+5.78	7. Bailey	10	45,258,281	+ 9.90
2. Castro	13	83,074,953	+ 31.15	8. Comanche	19	42,537,114	+ 11.54
3. Parmer	14	73,645,689	+ 12.09	9. Hopkins	92	40,352,170	- 4.22
4. Deaf Smith	11	59,498,218	- 1.77	10. Hale	6	35,545,406	+ 4.92
5. Hartley	11	51,735,090	+ 3.40	Ten County Total	270	584,908,487	+ 8.96 b/
6. Lamb	10	48,761,612	+ 13.27	<u>Other Counties Total</u>	<u>285</u>	<u>209,665,812</u>	<u>+ 3.94</u>
				Texas Total	555	794,574,299	+ 7.59

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>
December 2009	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
December	3.96	3.78	3.25	3.14	5.75	5.75	9.00	8.90	226	172
Averages 2010	3.73	3.55	3.14	3.04	5.75	5.76	8.89	8.81	285	220
January 2011	3.96	3.78	3.22	3.12	5.75	5.76	8.99	8.89	223	165

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – JANUARY 2011

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2010b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2010b/</u>
1. Chaves	34	171,173,662	+ 6.35	7. Eddy	3	17,459,420	+ 2.99
2. Curry	26	140,140,080	- 2.86	8. Luna	3	16,155,800	+ 58.25
3. Roosevelt	37	131,803,847	+ 5.63	9. Valencia	5	15,617,687	+ 8.43
4. Dona Ana	22	95,679,234	+ 10.28	10. Bernalillo	4	5,395,159	+ 5.60
5. Lea	13	51,169,520	+ 9.70	Ten County Total	155	664,381,386	+ 5.62 b/
6. Socorro	8	19,786,977	+ 4.37	<u>Other Counties Total</u>	<u>2</u>	<u>11,453,167</u>	<u>+ 6.75</u>
				New Mexico Total	157	675,834,553	+ 5.64

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.

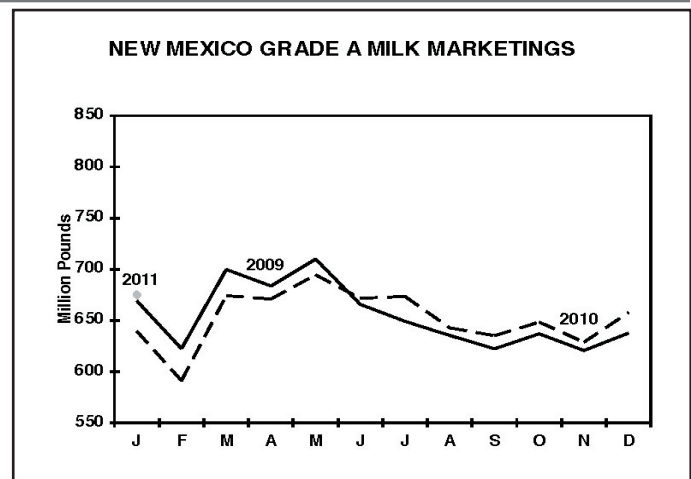
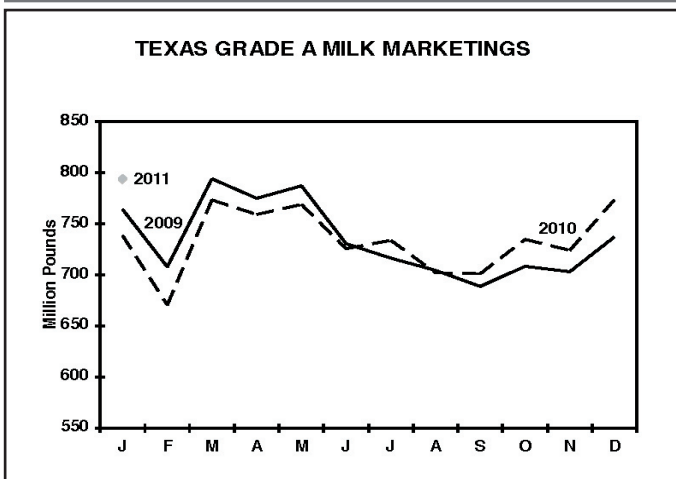
**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2009 THROUGH JANUARY 2011, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	PERCENT 2010/09	CHANGE 2011/10
January	764,064,476	636	738,538,899	582	794,574,299	555	- 3.34	+ 7.59
February	707,786,943	631	672,168,487	578			- 5.03	
March	793,989,726	635	773,286,159	577			- 2.61	
April	774,795,518	631	759,203,798	576			- 2.01	
May	787,077,681	629	768,833,368	571			- 2.32	
June	730,380,337	622	725,500,766	565			- .067	
July	716,344,326	598	733,719,075	568			+ 2.43	
August	704,267,950	597	702,002,272	559			- 0.32	
September	688,737,418	593	701,066,340	558			+ 1.79	
October	708,312,372	590	738,609,251	554			+ 4.28	
November	703,046,885	591	723,908,057	555			+ 2.97	
December	<u>737,072,970</u>	581	<u>773,415,328</u>	557			<u>+ 4.93</u>	
Years Total	8,815,876,602		8,810,251,800				- 0.06	

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2009 THROUGH JANUARY 2011, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	PERCENT 2010/09	CHANGE 2011/10
January	669,161,661	170	639,771,307	157	675,834,553	157	- 4.39	+ 5.64
February	622,538,938	167	591,156,278	158			- 5.04	
March	699,808,110	168	674,287,000	159			- 3.65	
April	683,575,106	164	670,976,253	159			- 1.84	
May	709,872,347	165	694,638,948	160			- 2.15	
June	665,627,017	166	671,649,637	159			+ 0.90	
July	649,187,109	158	676,898,057	159			+ 4.27	
August	635,258,249	157	642,846,047	159			+ 1.19	
September	622,278,128	158	635,203,468	156			+ 2.08	
October	636,944,152	157	648,369,979	156			+ 1.79	
November	620,605,564	157	628,936,968	156			+ 1.34	
December	<u>641,902,168</u>	156	<u>657,677,525</u>	156			<u>+ 2.46</u>	
Years Total	7,856,758,549		7,832,411,467				- 0.31	

* 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-----						
December 2009	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	6.120	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
December	19.96	15.77	13.83	15.03	2.56	179.52	18.52	217.06	.00073	165.39	146.06	118.48	37.89
Averages 2010 b/	18.35	16.02	14.41	15.09	2.08	185.35	17.77	230.91	.00076	170.20	152.26	116.87	37.16
January 2011	18.20	16.79	13.48	16.42	2.76	202.39	20.02	175.90	.00070	184.28	140.76	125.30	39.35

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

**JANUARY 2011
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$442,205.73
Class I Butterfat	60(a)	8,249,930	\$1.7996	\$14,846,574.03
Class I Skim Per Cwt		387,811,565	\$12.3300	\$47,817,165.95
Class II Butterfat	60(b)	5,651,662	\$2.0309	\$11,477,960.34
Class II Nonfat Solids		3,896,342	\$1.1144	\$4,342,083.53
Class III Butterfat	60(c)	16,688,617	\$2.0239	\$33,776,091.96
Class III Protein		13,887,468	\$1.7590	\$24,428,056.21
Class III Other Solids		25,619,821	\$0.2002	\$5,129,088.18
Class IV Butterfat	60(d)	7,713,561	\$2.0239	\$15,611,476.11
Class IV Nonfat Solids		9,713,112	\$1.0743	\$10,434,796.22
Class II, III & IV Somatic Cell Adj.	60(e)			\$739,718.33
Total Producer Milk-Product Lbs & Value		1,000,733,545		\$169,045,216.59
Add: Value as for 60(f) Thru 60(j)				\$25,022.00
Less: Total Protein Pounds	61(b)	31,568,991	\$1.7590	\$55,529,855.18
Total Other Solids Pounds		57,670,583	\$0.2002	\$11,545,650.74
Total Butterfat Pounds		38,303,770	\$2.0239	\$77,523,000.14
Total Value of Somatic Cell Adjustment				\$1,145,884.17
Total Milk and Value		1,000,733,545		\$23,325,848.36
Add: Location Differential Adjustments	61(c)			\$4,334,879.81
Producer-Settlement Fund	61(d)			\$418,885.98
Total Producer Milk/URSP and Value		1,000,733,545	\$2.80590	\$28,079,614.15
Less: Producer-Settlement Fund	61(f)		\$0.04590	\$459,368.31
Producer Price Differential (Dallas County)			\$2.76	\$27,620,245.84

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CARY HUNTER, MARKET ADMINISTRATOR
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**JANUARY 2011
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	396,061,495	39.58	8,249,930	21.54	387,811,565	40.30
Class II	47,641,943	4.76	5,651,662	14.75	41,990,281	4.36
Class III	444,682,500	44.43	16,688,617	43.57	427,993,883	44.47
Class IV	112,347,607	11.23	7,713,561	20.14	104,634,046	10.87
Total	1,000,733,545	100.00	38,303,770	100.00	962,429,775	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	38,303,770	31,568,991	57,670,583	89,239,574
Percentage	3.827	3.154	5.762	8.917

Average Somatic Cell Count	187,000
Total Number of Pooled Producers	540