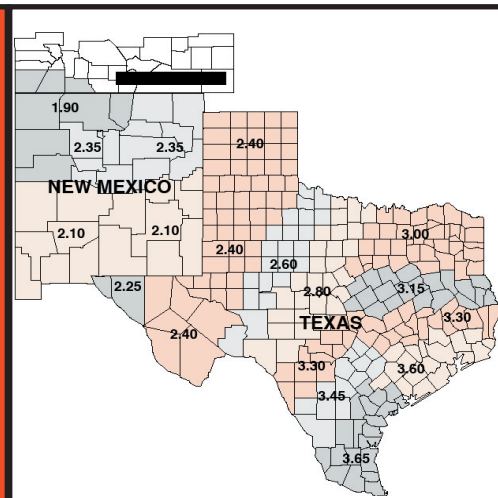


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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VOLUME XXXVII, NO. 3

MARCH 2012

## MARKET SUMMARY FOR FEBRUARY

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 \$1.52 for February. Butterfat price decreased \$0.1439 per pound from \$1.7178 in January to the level of \$1.5739 in February. Protein price decreased \$0.0699 per pound from \$2.7326 in January to \$2.6627 in February. February's Other Solids price decreased \$0.0491 per pound from \$0.5032 in January to \$0.4541 in February. The Somatic Cell Count adjustment rate factor for February was 0.00077 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a February statistical uniform price of \$17.58 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 \$1.30 in comparison to the statistical uniform price of \$18.88 in January.

The February Class I price decreased \$1.77 from \$21.80 in January to the February level of \$20.03. The Class II price for February of \$16.94 per hundredweight decreased \$0.73 from \$17.67 in January. February's Class III price decreased \$0.99 from \$17.05 in January to \$16.06 in February. The Class IV price decreased \$0.64 from \$16.56 in January to \$15.92 in February.

In February 582 producers delivered a total of 1,083,688,240 pounds of milk. On a daily basis this represents an increase of 9.85 percent from the producer receipts level in January and it represents an increase of 10.03 percent when compared to the producer receipts level of February 2011.

Producer milk classified as Class I during February amounted to 32.54 percent of total producer receipts. This figure is down from 36.18 percent in January and it is down from 37.26 percent in February 2011. The average butterfat test of producer milk pooled during February was 3.676 percent, average protein test was 3.184 percent, average other solids test was 5.779 percent and the average somatic cell count was 223,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Feb 12	Jan 12	Feb 12	Jan 12	Feb 12	Jan 12
Appalachian - FO 5	19.22	20.78	-----	-----	69.30	68.56
Arizona - FO 131	16.94	18.12	-----	-----	28.28	29.54
Central - FO 32	16.63	17.93	0.57	0.88	28.59	32.85
Florida - FO 6	21.34	23.11	-----	-----	84.50	84.46
Mideast - FO 33	16.98	18.24	0.92	1.19	34.70	36.20
Northeast - FO 1	18.09	19.37	2.03	2.32	39.90	41.20
Pacific Northwest - FO 124	16.64	17.76	0.58	0.71	26.74	27.76
Southeast - FO 7	19.38	21.07	-----	-----	64.45	66.22
<b>Southwest - FO 126</b>	<b>17.58</b>	<b>18.88</b>	<b>1.52</b>	<b>1.83</b>	<b>32.54</b>	<b>36.18</b>
Upper Midwest - FO 30	16.35	17.44	0.29	0.39	11.40	11.60

## 2011 ANNUAL MILK PRODUCTION

The annual production of milk for the United States during 2011 was 196 billion pounds, 1.8 percent above 2010. Production per cow in the United States averaged 21,345 pounds for 2011, 197 pounds above 2010.

The average number of milk cows on farms in the United States during 2011 was 9.19 million head, down 0.8 percent from 2010. The top ten states for total milk production and milk per cow are shown below. New Mexico and Texas appear in both tables.

In 2011 Texas was ranked as the sixth largest milk producing state with 9.6 billion pounds, up from its seventh position in 2010. New Mexico ranked ninth in 2011 with 8.2 billion pounds, the same rank it held in 2010.

New Mexico ranked first in the top ten states with the highest milk per cow, coming in at 24,854 pounds. That is the same as its first place ranking in 2010 with 24,551 pounds of milk per cow, an increase of 1.23 percent. Texas ranked ninth with 22,232 pounds of milk per cow in 2011. That is up 4.01 percent from 21,375 pounds per cow in 2010.

SOURCE: U.S. Department of Agriculture, National Agricultural Statistics Service, Agricultural Statistics Board. *Milk Production, February 2012.*

TOP 10 MILK PRODUCING STATES 2011			
Rank 2010	Rank 2011	State	Million Pounds
1	1	California	41,462
2	2	Wisconsin	26,117
3	3	Idaho	13,256
4	4	New York	12,826
5	5	Pennsylvania	10,604
7	6	Texas	9,582
6	7	Minnesota	8,890
8	8	Michigan	8,478
9	9	New Mexico	8,177
10	10	Washington	6,169
		<b>U.S. Total</b>	<b>196,245</b>

TOP 10 MILK PER COW STATES 2011			
Rank 2010	Rank 2011	State	Pounds
1	1	New Mexico	24,854
3	2	Washington	23,727
4	3	Arizona	23,468
6	4	California	23,438
2	5	Colorado	23,430
5	6	Michigan	23,164
7	7	Idaho	22,934
4	8	Nevada	22,897
9	9	Texas	22,232
12	10	Iowa	21,309
		<b>U.S. Average</b>	<b>21,345</b>

## RELEASE DATES FOR FEDERAL MILK ORDER PRICE DATA

Listed below are the release dates for the Federal milk order program for price data applicable to April 2012 through September 2012. The advanced prices and pricing factors will be released at 3:00 p.m. EST/EDST no later than the 23rd of the preceding month. If the release date does not fall on the 23rd the most current release preceding the 23rd will be used in the price calculation. Likewise, the class and component prices will be released at 3:00 p.m. EST/EDST no later than the 5th of the following month. If the release date does not fall on the 5th the most current release preceding the 5th will be used in the price calculation.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices <u>2/</u>	Release Date	Time Period of NASS Prices <u>1/</u>
April			May 2	3/31, 4/7, 14, 21, 28
May	April 18	4/7, 14	May 31	5/5, 12, 19, 26
June	May 23	5/12, 19	July 5	6/2, 9, 16, 23, 30
July	June 20	6/9, 16	August 1	7/7, 14, 21, 28
August	July 18	7/7, 14	August 29	8/4, 11, 18, 25
September	August 22	8/11, 18	October 3	9/1, 8, 15, 22, 29

1/ Weekly sales periods, ending on the indicated date, that are included in the applicable average. Information for the week usually is released by AMS on Wednesday of the following week.

**Revision:** Some figures in the "2011 Producer Milk Components" table on page 2 of the January 2012 Market Administrator's Report have been revised. The figures posted for protein and other solids were incorrect. A corrected version has been posted on our website at [www.dallasma.com](http://www.dallasma.com).

**TOP TEN TEXAS COUNTIES a/ – FEBRUARY 2012**

County	Number of Producers	Pounds	% Change From 2011*	County	Number of Producers	Pounds	% Change From 2011*
1. Erath	75	96,462,836	- 4.32	7. Comanche	19	40,986,139	- 1.07
2. Castro	13	85,658,443	+ 14.02	8. Bailey	9	39,915,972	- 7.17
3. Parmer	15	80,719,941	+ 16.64	9. Moore	6	39,141,500	+ 36.39
4. Deaf Smith	11	59,925,960	+ 10.78	10. Hale	6	37,443,457	+ 12.82
5. Hartley	11	49,603,860	+ 1.35	Ten County Total	175	579,342,056	+ 7.24 b/
6. Lamb	10	49,483,948	+ 8.25	<u>Other Counties Total</u>	<u>339</u>	<u>217,243,408</u>	<u>+ 1.51</u>
				<b>Texas Total</b>	<b>514</b>	<b>796,585,464</b>	<b>+ 5.62</b>

a/ Includes all known Grade "A" milk produced on farms located in Texas.

\*Based on average daily deliveries.

**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
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
February	3.95	3.76	3.19	3.08	5.75	5.77	8.94	8.85	269	206
March	3.82	3.63	3.15	3.03	5.77	5.78	8.91	8.81	239	179
April	3.77	3.56	3.13	3.02	5.78	5.79	8.91	8.81	209	156
May	3.75	3.54	3.12	3.01	5.76	5.76	8.88	8.77	206	148
June	3.68	3.45	3.08	2.98	5.75	5.74	8.83	8.72	214	153
July	3.66	3.43	3.05	2.93	5.72	5.72	8.77	8.65	235	177
August	3.67	3.42	3.05	2.93	5.73	5.74	8.79	8.67	253	196
September	3.73	3.48	3.17	3.07	5.71	5.72	8.88	8.79	246	194
October	3.82	3.58	3.26	3.18	5.73	5.74	8.99	8.92	227	176
November	3.88	3.63	3.31	3.23	5.74	5.75	9.05	8.97	206	159
December	3.93	3.71	3.33	3.25	5.75	5.76	9.08	9.02	249	223
Averages 2011	3.80	3.58	3.17	3.07	5.75	5.75	8.92	8.82	231	178
January 2012	3.87	3.67	3.26	3.18	5.74	5.74	9.00	8.92	247	252
February	3.81	3.58	3.24	3.15	5.77	5.78	9.01	8.93	235	211

a/ In thousands.

**TOP NEW MEXICO COUNTIES a/ – FEBRUARY 2012**

County	Number of Producers	Pounds	% Change From 2011*	County	Number of Producers	Pounds	% Change From 2011*
1. Chaves	35	165,754,595	+ 2.84	7. Eddy	3	16,563,080	- 0.30
2. Curry	26	143,365,196	+ 10.82	8. Luna	3	15,571,693	+ 4.71
3. Roosevelt	37	133,492,663	+ 8.23	9. Valencia	5	14,970,291	0.00
4. Dona Ana	21	83,942,208	- 3.84	10. Bernalillo	3	4,822,319	- 5.66
5. Lea	13	53,194,990	+ 9.23	Ten County Total	154	651,691,451	+ 5.17 b/
6. Socorro	8	20,014,416	+ 10.01	<u>Other Counties Total</u>	<u>2</u>	<u>10,162,740</u>	<u>+ 0.16</u>
				<b>New Mexico Total</b>	<b>156</b>	<b>661,854,191</b>	<b>+ 5.09</b>

a/ All known Grade "A" milk produced on farms located in New Mexico.

\*Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2010 THROUGH FEBRUARY 2012, WITH PRODUCTION PERCENTAGE COMPARISONS**

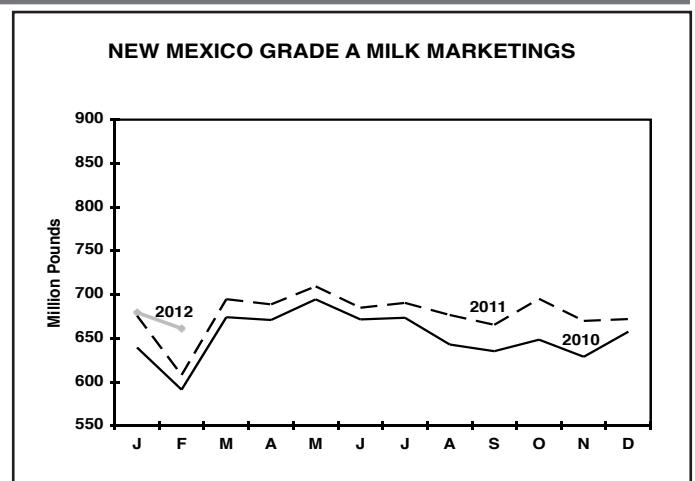
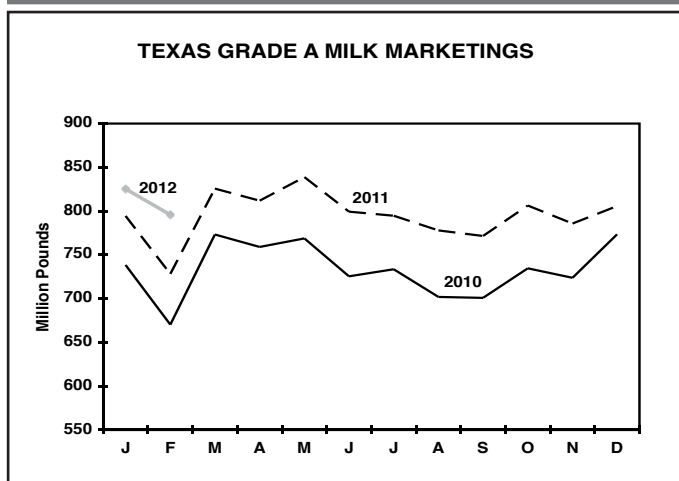
MONTH	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	PERCENT 2011/10	CHANGE 2012/11
January	738,538,899	582	794,574,299	555	826,060,239	525	+ 7.59	+ 3.96
February	672,168,487	578	728,226,604	554	796,585,464	514	+ 8.34	+ 5.62*
March	773,286,159	577	831,714,685	552			+ 7.49	
April	759,203,798	576	812,060,148	549			+ 6.96	
May	768,833,368	571	837,599,963	544			+ 8.94	
June	725,500,766	565	799,434,977	543			+ 10.19	
July	733,719,075	568	794,768,069	541			+ 8.32	
August	702,002,272	559	779,356,886	540			+ 11.02	
September	701,066,340	558	771,537,770	538			+ 10.05	
October	738,609,251	554	811,052,943	536			+ 9.81	
November	723,908,057	555	785,855,360	533			+ 8.56	
December	<u>773,415,328</u>	557	<u>805,829,180</u>	531			<u>+ 4.19</u>	
Years Total	8,810,251,800		9,552,010,884				+ 8.42	

\* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2010 THROUGH FEBRUARY 2012, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	PERCENT 2011/10	CHANGE 2012/11
January	639,771,307	157	675,834,553	157	680,195,569	157	+ 5.64	+ 0.65
February	591,156,278	158	608,071,702	159	661,854,191	156	+ 2.86	+ 5.09*
March	674,287,000	159	694,817,453	159			+ 3.04	
April	670,976,253	159	688,673,031	158			+ 2.64	
May	694,638,948	160	709,391,501	157			+ 2.12	
June	671,649,637	159	684,767,801	157			+ 1.95	
July	676,898,057	159	690,350,883	157			+ 1.99	
August	642,846,047	159	676,720,593	158			+ 5.27	
September	635,203,468	156	666,022,373	159			+ 4.85	
October	648,369,979	156	695,365,627	157			+ 7.25	
November	628,936,968	156	669,926,275	157			+ 6.52	
December	<u>657,677,525</u>	156	<u>671,984,702</u>	158			<u>+ 2.18</u>	
Years Total	7,832,411,467		8,131,926,494				+ 3.82	

\* 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-----						
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
February	18.89	17.97	17.00	18.40	1.42	229.67	23.10	255.86	.00087	206.80	174.49	137.28	42.34
March	21.23	18.83	19.40	19.41	0.93	228.59	26.65	330.24	.00099	205.91	197.22	149.45	45.78
April	22.43	19.66	16.87	19.78	3.02	221.13	29.02	249.84	.00085	199.75	169.83	156.80	48.08
May	22.75	20.63	16.52	20.29	3.42	224.97	30.26	231.33	.00083	202.92	165.34	161.20	49.29
June	23.32	21.37	19.11	21.05	2.39	237.02	33.39	298.07	.00095	212.87	189.99	165.20	52.33
July	24.03	21.29	21.39	20.33	1.17	225.11	36.08	382.92	.00106	203.04	212.43	161.59	54.94
August	24.43	21.55	21.67	20.14	1.39	229.85	38.11	383.05	.00107	206.95	214.02	157.39	56.91
September	24.78	20.55	19.07	19.53	2.59	220.05	40.53	302.82	.00093	198.86	185.92	154.39	59.26
October	22.56	19.41	18.03	18.41	1.82	195.92	42.86	292.11	.00087	178.93	174.71	151.09	61.52
November	21.45	19.26	19.07	17.87	0.82	195.08	45.21	323.41	.00092	178.24	184.15	145.22	63.80
December	21.47	18.08	18.77	16.87	0.48	174.43	46.83	334.04	.00090	161.19	180.70	142.01	65.38
Averages 2011 b/	22.13	19.62	18.37	19.04	1.85	215.35	34.34	296.63	.00091	194.98	182.46	150.58	53.25
January 2012	21.80	17.67	17.05	16.56	1.83	171.78	50.32	273.26	.00080	159.00	160.97	139.42	68.76
February	20.03	16.94	16.06	15.92	1.52	157.39	45.41	266.27	.00077	147.12	154.10	137.92	64.00

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

**FEBRUARY 2012  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$369,525.99
Class I Butterfat	60(a)	7,136,744	\$1.7470	\$12,467,891.77
Class I Skim Per Cwt		345,529,840	\$14.4200	\$49,825,402.94
Class II Butterfat	60(b)	7,160,385	\$1.5809	\$11,319,852.69
Class II Nonfat Solids		8,577,706	\$1.3133	\$11,265,101.33
Class III Butterfat	60(c)	18,511,195	\$1.5739	\$29,134,769.83
Class III Protein		15,317,775	\$2.6627	\$40,786,639.53
Class III Other Solids		27,722,288	\$0.4541	\$12,588,691.00
Class IV Butterfat	60(d)	7,034,627	\$1.5739	\$11,071,799.45
Class IV Nonfat Solids		13,381,090	\$1.1993	\$16,047,941.23
Class II, III & IV Somatic Cell Adj.	60(e)			\$747,900.89
Total Producer Milk-Product Lbs & Value		1,083,688,240		\$195,625,516.65
Add: Value as for 60(f) Thru 60(j)				51,001.89
Less: Total Protein Pounds	61(b)	34,515,288	<b>\$2.6627</b>	\$91,903,857.36
Total Other Solids Pounds		62,632,741	<b>\$0.4541</b>	\$28,441,527.71
Total Butterfat Pounds		39,842,951	<b>\$1.5739</b>	\$62,708,820.60
Total Value of Somatic Cell Adjustment				\$1,059,869.82
<b>Total Milk and Value</b>		1,083,688,240		\$11,562,443.05
Add: Location Differential Adjustments	61(c)			\$4,916,703.17
Producer-Settlement Fund	61(d)			\$449,225.02
<b>Total Producer Milk/URSP and Value</b>		1,083,688,240	\$1.56210	\$16,928,371.24
Less: Producer-Settlement Fund	61(f)		\$0.04210	\$456,309.99
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.52</b>	<b>\$16,472,061.25</b>

THE MARKET ADMINISTRATOR'S

# REPORT

SOUTHWEST MARKETING AREA

CARY HUNTER, MARKET ADMINISTRATOR

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## FEBRUARY 2012 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	352,666,584	32.54	7,136,744	17.91	345,529,840	33.10
Class II	99,468,195	9.18	7,160,385	17.97	92,307,810	8.84
Class III	480,507,589	44.34	18,511,195	46.46	461,996,394	44.26
Class IV	151,045,872	13.94	7,034,627	17.66	144,011,245	13.80
Total	1,083,688,240	100.00	39,842,951	100.00	1,043,845,289	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	39,842,951	34,515,288	62,632,741	97,148,029
Percentage	3.676	3.184	5.779	8.964

Average Somatic Cell Count	223,000
Total Number of Pooled Producers	582