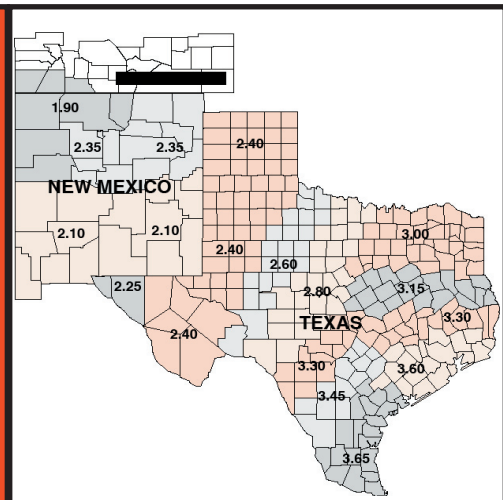


THE MARKET ADMINISTRATOR'S

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>

VOLUME XXXVII, NO. 11

NOVEMBER 2012

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 (\$0.67) for October. Butterfat price increased \$0.1089 per pound from \$2.0047 in September to the level of \$2.1136 in October. Protein price increased \$0.4757 per pound from \$3.2521 in September to \$3.7278 in October. October's Other Solids price increased \$0.0369 per pound from \$0.3971 in September to \$0.4340 in October. The Somatic Cell Count adjustment rate factor for October was 0.00102 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 \$20.35 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 \$0.97 in comparison to the statistical uniform price of \$19.38 in September.

The October Class I price increased \$1.29 from \$20.59 in September to the October level of \$21.88. The Class II price for October of \$18.44 per hundred-weight increased \$1.40 from \$17.04 in September. October's Class III price increased \$2.02 from \$19.00 in September to \$21.02 in October. The Class IV price increased \$1.13 from \$17.41 in September to \$18.54 in October.

In October 397 producers delivered a total of 529,629,127 pounds of milk. On a daily basis this represents a decrease of 2.36 percent from the producer receipts level in September and it represents a decrease of 45.62 percent when compared to the producer receipts level of October 2011.

Producer milk classified as Class I during October amounted to 72.46 percent of total producer receipts. This figure is up from 67.45 percent in September and it is up from 38.72 percent in October 2011. The average butterfat test of producer milk pooled during October was 3.744 percent, average protein test was 3.206 percent, average other solids test was 5.760 percent and the average somatic cell count was 203,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Oct 12	Sep 12	Oct 12	Sep 12	Oct 12	Sep 12
Appalachian - FO 5	21.85	20.32	-----	-----	76.53	69.44
Arizona - FO 131	20.23	18.94	-----	-----	35.90	37.17
Central - FO 32	19.45	18.37	(1.57)	(0.63)	55.80	47.68
Florida - FO 6	23.70	22.40	-----	-----	86.17	85.12
Mideast - FO 33	19.67	18.53	(1.35)	(0.47)	47.40	40.40
Northeast - FO 1	20.78	19.45	(0.24)	0.45	42.80	40.70
Pacific Northwest - FO 124	19.18	18.17	(1.84)	(0.83)	45.64	40.66
Southeast - FO 7	22.35	20.87	-----	-----	75.05	69.86
Southwest - FO 126	20.35	19.38	(0.67)	0.38	72.46	67.45
Upper Midwest - FO 30	20.53	18.86	(0.49)	(0.14)	16.70	15.10

RELEASE DATES FOR FEDERAL MILK ORDER PRICE DATA

Listed below are the release dates for price announcements used in the Federal milk order program applicable to January 2013 through December 2014. The advanced prices and pricing factors will be released at 3:00 p.m. ET 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. ET 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 AMS Prices ^{1/}	Release Date	Time Period of AMS Prices ^{1/}
2013				
January	December 19, 2012	12/8, 15	January 30	1/5, 12, 19, 26
February	January 16	1/5, 12	February 27	2/2, 9, 16, 23
March	February 21	2/9, 16	April 3	3/2, 9, 16, 23, 30
April	March 20	3/9, 16	May 1	4/6, 13, 20, 27
May	April 17	4/6, 13	June 5	5/4, 11, 18, 25, 6/1
June	May 22	5/11, 18	July 3	6/8, 15, 22, 29
July	June 19	6/8, 15	July 31	7/6, 13, 20, 27
August	July 17	7/6, 13	September 5	8/3, 10, 17, 24, 31
September	August 21	8/10, 17	October 2	9/7, 14, 21, 28
October	September 18	9/7, 14	October 30	10/5, 12, 19, 26
November	October 23	10/12, 19	December 4	11/2, 9, 16, 23, 30
December	November 20	11/9, 16	January 2, 2014	12/7, 14, 21, 28
2014				
January	December 18, 2013	12/7, 14	February 5	1/4, 11, 18, 25, 2/1
February	January 23	1/11, 18	March 5	2/8, 15, 22, 3/1
March	February 20	2/8, 15	April 2	3/8, 15, 22, 29
April	March 19	3/8, 15	April 30	4/5, 12, 19, 26
May	April 23	4/12, 19	June 4	5/3, 10, 17, 24, 31
June	May 21	5/10, 17	July 2	6/7, 14, 21, 28
July	June 18	6/7, 14	July 30	7/5, 12, 19, 26
August	July 23	7/12, 19	September 4	8/2, 9, 16, 23, 30
September	August 20	8/9, 16	October 1	9/6, 13, 20, 27
October	September 17	9/6, 13	November 5	10/4, 11, 18, 25, 11/1
November	October 22	10/11, 18	December 3	11/8, 15, 22, 29
December	November 19	11/8, 15	December 31	12/6, 13, 20, 27

^{1/} Weekly sales periods end on the indicated date and include applicable averages. The National Dairy Products Sales report is normally released on Wednesday of the following week. <http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>

TOP TEN TEXAS COUNTIES a/ – OCTOBER 2012

County	Number of Producers	Pounds	% Change From 2011	County	Number of Producers	Pounds	% Change From 2011
1. Parmer	15	89,360,278	+ 0.15	7. Moore	7	49,961,447	+ 14.79
2. Castro	13	86,867,528	- 5.97	8. Bailey	9	41,763,325	- 12.50
3. Erath	63	81,666,525	- 11.34	9. Hale	5	37,625,358	- 5.04
4. Deaf Smith	11	63,896,344	- 3.03	10. Comanche	17	35,451,338	- 3.50
5. Lamb	10	52,827,434	- 1.72	Ten County Total	160	590,084,287	- 3.38
6. Hartley	10	50,664,710	+ 1.81	<u>Other Counties Total</u>	<u>313</u>	<u>178,323,989</u>	<u>- 10.98</u>
				Texas Total	473	768,408,276	- 5.26

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

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
August 2011	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
March	3.75	3.53	3.18	3.09	5.79	5.81	8.97	8.90	222	184
April	3.69	3.46	3.14	3.04	5.77	5.78	8.91	8.82	213	164
May	3.70	3.45	3.14	3.03	5.77	5.79	8.91	8.82	218	166
June	3.69	3.46	3.12	2.99	5.77	5.79	8.89	8.79	227	171
July	3.68	3.47	3.10	2.97	5.74	5.77	8.85	8.74	237	192
August	3.72	3.51	3.11	2.98	5.71	5.74	8.82	8.72	239	199
September	3.80	3.60	3.20	3.08	5.73	5.75	8.92	8.83	225	185
October	3.89	3.70	3.29	3.18	5.75	5.76	9.03	8.95	214	173

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – OCTOBER 2012

County	Number of Producers	Pounds	% Change From 2011	County	Number of Producers	Pounds	% Change From 2011
1. Chaves	35	158,808,680	- 7.55	7. Valencia	5	16,401,168	+ 2.00
2. Curry	26	144,988,433	- 5.25	8. Luna	3	15,794,836	- 11.91
3. Roosevelt	32	126,636,426	- 9.19	9. Eddy	3	15,775,111	- 7.82
4. Dona Ana	19	83,311,754	- 6.46	10. Bernalillo	3	5,389,476	- 0.08
5. Lea	13	53,094,521	- 0.10	Ten County Total	147	641,778,152	- 6.16
6. Socorro	8	21,577,747	+ 3.22	<u>Other Counties Total</u>	<u>2</u>	<u>10,270,760</u>	<u>- 10.48</u>
				New Mexico Total	149	652,048,912	- 6.23

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

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

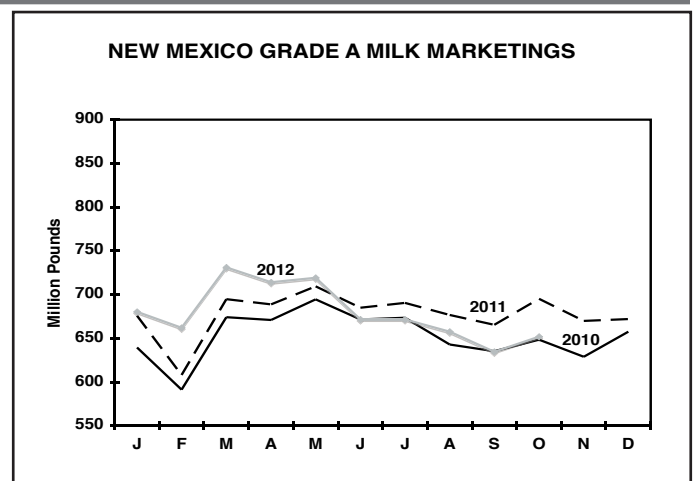
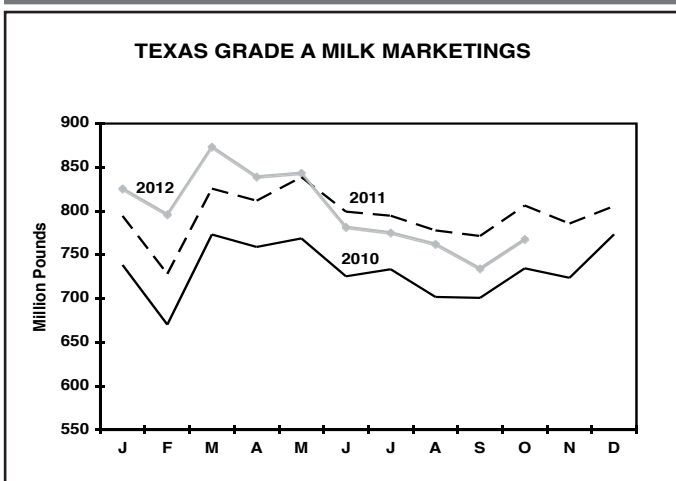
MONTH	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	PERCENT 2011/10	CHANGE 2012/11
January	738,538,899	582	794,574,299	555	826,060,239	525	+ 7.59	+ 3.96
February	672,168,487	578	728,226,604	554	796,585,464	514	+ 8.34	+ 5.62
March	773,286,159	577	831,714,685	552	873,809,464	515	+ 7.49	+ 5.06
April	759,203,798	576	812,060,148	549	839,675,231	504	+ 6.96	+ 3.40
May	768,833,368	571	837,599,963	544	843,983,197	495	+ 8.94	+ 0.76
June	725,500,766	565	799,434,977	543	782,384,320	491	+ 10.19	- 2.13*
July	733,719,075	568	794,768,069	541	775,879,468	483	+ 8.32	- 2.38
August	702,002,272	559	779,356,886	540	762,801,472	481	+ 11.02	- 2.12
September	701,066,340	558	771,537,770	538	734,843,900	481	+ 10.05	- 4.76
October	738,609,251	554	811,052,943	536	768,408,276	473	+ 9.81	- 5.26
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	

* Revised.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2010 THROUGH OCTOBER 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	730,980,867	156	+ 3.04	+ 5.20
April	670,976,253	159	688,673,031	158	713,977,651	158	+ 2.64	+ 3.67
May	694,638,948	160	709,391,501	157	719,067,055	153	+ 2.12	+ 1.36
June	671,649,637	159	684,767,801	157	666,236,294	152	+ 1.95	- 2.71*
July	676,898,057	159	690,350,883	157	671,552,652	149	+ 1.99	- 2.72
August	642,846,047	159	676,720,593	158	657,573,314	149	+ 5.27	- 2.83
September	635,203,468	156	666,022,373	159	634,558,129	148	+ 4.85	- 4.72
October	648,369,979	156	695,365,627	157	652,048,912	149	+ 7.25	- 6.23
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	

* Revised.



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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 2011	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
March	19.30	16.59	15.72	15.35	1.46	152.97	42.39	265.71	.00076	143.47	152.48	133.10	61.07
April	18.66	16.20	15.72	14.80	1.18	156.45	40.48	265.68	.00077	146.34	153.61	125.14	59.21
May	18.85	15.19	15.23	13.55	1.27	144.62	35.00	273.44	.00076	136.57	152.15	115.51	53.89
June	18.24	14.32	15.63	13.24	1.04	148.66	31.13	289.52	.00079	139.91	158.46	110.23	50.13
July	18.51	14.51	16.68	14.45	0.51	165.56	31.23	304.30	.00084	153.86	168.57	117.44	50.23
August	19.55	15.64	17.73	15.76	0.81	183.39	34.62	312.11	.00088	168.59	176.82	125.43	53.52
September	20.59	17.04	19.00	17.41	0.38	200.47	39.71	325.21	.00093	182.69	186.47	137.68	58.46
October	21.88	18.44	21.02	18.54	(0.67)	211.36	43.40	372.78	.00102	191.68	204.79	146.36	62.05

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

**OCTOBER 2012
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$388,130.34
Class I Butterfat	60(a)	7,773,611	\$2.0308	\$15,786,649.22
Class I Skim Per Cwt		376,011,506	\$15.3100	\$57,567,361.59
Class II Butterfat	60(b)	8,388,981	\$2.1206	\$17,789,673.11
Class II Nonfat Solids		8,602,746	\$1.2689	\$10,916,024.43
Class III Butterfat	60(c)	1,432,859	\$2.1136	\$3,028,490.81
Class III Protein		159,577	\$3.7278	\$594,871.15
Class III Other Solids		288,743	\$0.4340	\$125,314.47
Class IV Butterfat	60(d)	2,236,686	\$2.1136	\$4,727,459.56
Class IV Nonfat Solids		3,404,412	\$1.2828	\$4,367,179.72
Class II, III & IV Somatic Cell Adj.	60(e)			\$205,331.05
Total Producer Milk-Product Lbs & Value		529,629,127		\$115,496,485.45
Add: Value as for 60(f) Thru 60(j)				\$297,019.85
Less: Total Protein Pounds	61(b)	16,984,847	\$3.7278	\$63,316,112.66
Total Other Solids Pounds		30,509,411	\$0.4340	\$13,241,084.38
Total Butterfat Pounds		19,832,137	\$2.1136	\$41,917,204.76
Total Value of Somatic Cell Adjustment				\$786,984.94
Total Milk and Value		529,629,127		(\$3,467,881.44)
Add: Location Differential Adjustments	61(c)			(\$109,177.48)
Producer-Settlement Fund	61(d)			\$241,745.74
Total Producer Milk/URSP and Value		529,629,127	(\$0.62974)	(\$3,335,313.18)
Less: Producer-Settlement Fund	61(f)		\$0.04025	\$213,201.97
Producer Price Differential (Dallas County)			(\$0.67)	(\$3,548,515.15)

**THE MARKET ADMINISTRATOR'S
REPORT**

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

PRSRT STD
 U.S. POSTAGE
 PAID
 Carrollton, TX
 Permit No. 343

RETURN SERVICE REQUESTED

**OCTOBER 2012
 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	383,785,117	72.46	7,773,611	39.20	376,011,506	73.76
Class II	100,754,191	19.02	8,388,981	42.30	92,365,210	18.12
Class III	6,250,641	1.19	1,432,859	7.22	4,817,782	0.94
Class IV	38,839,178	7.33	2,236,686	11.28	36,602,492	7.18
Total	529,629,127	100.00	19,832,137	100.00	509,796,990	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	19,832,137	16,984,847	30,509,411	47,494,258
Percentage	3.744	3.206	5.760	8.967

Average Somatic Cell Count	203,000
Total Number of Pooled Producers	397