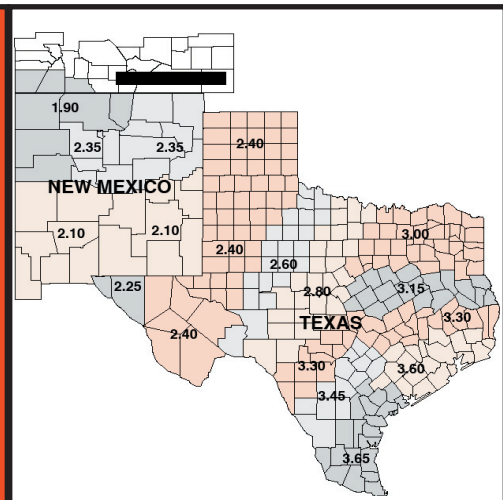


# THE MARKET ADMINISTRATOR'S

# 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](mailto:sw.order@dallasma.com)  
 WWW: <http://www.dallasma.com>

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## MARKET SUMMARY FOR MARCH

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 \$1.71 for March. Butterfat price increased \$0.0857 per pound from \$1.6619 in February to the level of \$1.7476 in March. Protein price decreased \$0.1405 per pound from \$2.9609 in February to \$2.8204 in March. March's Other Solids price decreased \$0.0355 per pound from \$0.4534 in February to \$0.4179 in March. The Somatic Cell Count adjustment rate factor for March was 0.00082 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a March statistical uniform price of \$18.64 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 \$0.22 in comparison to the statistical uniform price of \$18.86 in March.

The March Class I price decreased \$0.41 from \$21.21 in February to the March level of \$20.80. The Class II price for March of \$18.82 per hundredweight increased \$0.33 from \$18.49 in February. March's Class III price decreased \$0.32 from \$17.25 in February to \$16.93 in March. The March Class IV price was \$17.75 the same as it was in February.

In March 456 producers delivered a total of 1,220,438,080 pounds of milk. On a daily basis this represents a decrease of 2.31 percent from the producer receipts level in February but it represents an increase of 6.91 percent when compared to the producer receipts level of March 2012.

Producer milk classified as Class I during March amounted to 29.25 percent of total producer receipts. This figure is down from 29.80 percent in February and it is down from 32.40 percent in March 2012. The average butterfat test of producer milk pooled during March was 3.738 percent, average protein test was 3.161 percent, average other solids test was 5.792 percent and the average somatic cell count was 181,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Mar 13	Feb 13	Mar 13	Feb 13	Mar 13	Feb 13
Appalachian - FO 5	20.29	20.66	-----	-----	60.69	67.54
Arizona - FO 131	18.30	18.51	-----	-----	26.45	28.51
Central - FO 32	17.87	18.11	0.94	0.86	30.38	33.37
Florida - FO 6	22.59	22.90	-----	-----	85.19	86.25
Mideast - FO 33	18.22	18.37	1.29	1.12	38.10	37.20
Northeast - FO 1	19.32	19.43	2.39	2.18	36.10	38.10
Pacific Northwest - FO 124	17.82	18.02	0.89	0.77	24.39	25.96
Southeast - FO 7	20.70	21.05	-----	-----	64.64	66.40
<b>Southwest - FO 126</b>	<b>18.64</b>	<b>18.86</b>	<b>1.71</b>	<b>1.61</b>	<b>29.25</b>	<b>29.80</b>
Upper Midwest - FO 30	17.26	17.57	0.33	0.32	10.40	11.00

## 2012 ANNUAL MILK PRODUCTION

The annual production of milk for the United States during 2012 was 200 billion pounds, 2.1 percent above 2011. Revisions to 2011 production decreased the annual total 81 million pounds. Production per cow in the United States averaged 21,697 pounds for 2012, 361 pounds above 2011. The average annual rate of milk production per cow has increased 15.7 percent from 2003.

The average number of milk cows on farms in the United States during 2012 was 9.23 million head, up 0.4 percent from 2011. The average number of milk cows was revised up 2,000 head for 2012. The top ten states for total milk production and milk per cow are shown below. New Mexico and Texas appear in both tables.

In 2012 Texas was ranked as the sixth largest milk producing state with 9.6 billion pounds, this is the same rank it held in 2011. New Mexico ranked ninth in 2012 with 8.1 billion pounds, the same rank it held in 2011.

New Mexico ranked first in the top ten states with the highest milk per cow, coming in at 24,694 pounds. That is the same as its first place ranking in 2011 with 24,854 pounds of milk per cow, an decrease of 0.64 percent. Texas ranked ninth with 22,009 pounds of milk per cow in 2012. That is down 1.00 percent from 22,232 pounds per cow in 2011.

SOURCE: U.S. Department of Agriculture, National Agricultural Statistics Service, Agricultural Statistics Board. *Milk Production, February 2013.*

TOP 10 MILK PRODUCING STATES 2012			
Rank 2011	Rank 2012	State	Million Pounds
1	1	California	41,801
2	2	Wisconsin	27,224
3	3	Idaho	13,558
4	4	New York	13,196
5	5	Pennsylvania	10,493
6	6	Texas	9,596
7	7	Minnesota	9,071
8	8	Michigan	8,889
9	9	New Mexico	8,149
10	10	Washington	6,234
		<b>U.S. Total</b>	<b>200,324</b>

TOP 10 MILK PER COW STATES 2012			
Rank 2011	Rank 2012	State	Pounds
	1	New Mexico	24,694
3	2	Arizona	23,979
5	3	Colorado	23,978
2	4	Washington	23,794
6	5	Michigan	23,704
4	6	California	23,457
7	7	Idaho	23,376
8	8	Nevada	22,966
9	9	Texas	22,009
10	10	Iowa	21,730
		<b>U.S. Average</b>	<b>21,697</b>

### NASS TO PROVIDE PARTIAL MILK PRODUCTION ESTIMATES FOR THE REMAINDER OF FISCAL YEAR 2013

USDA's National Agricultural Statistics Service will provide an estimate of U.S. milk production each month through September, 2013, which is the end of Federal Fiscal Year 2013. The agency will use only various sources of administrative data to establish the monthly milk production estimates rather than incorporating information from the two remaining quarterly producer surveys, as is presently done. Milk production is one element of the monthly Milk Production report that NASS suspended last month to meet sequestration requirements. Because NASS is not conducting milk producer surveys, the dairy cow and milk per cow statistics that were provided in previous reports will not be available. In order to provide the additional estimates and true up estimates based on administrative data, a scientifically based statistical survey will be necessary in the longer term.

The use of various administrative data by NASS to establish the monthly estimates of milk production will provide a consistent estimation process across all states and the nation, while maintaining cost savings by not conducting the producer survey. NASS will release the milk production estimate on the dates previously scheduled through September.

In addition, NASS will release the Annual Milk Production, Disposition and Income 2012 Summary report as scheduled on April 25. This report provides the annual number of milk cows, production per cow, and production for the year at the state and national levels for 2011 and 2012. The amount of milk used on farms and the amount sold, cash receipts, and value of production by state and at the U.S. level are also included.

The decision to move forward with the limited milk production estimates is a reflection of NASS's ongoing evaluation of its programs and its FY 2013 fiscal situation, as well as its commitment to timely, accurate and useful data in service to U.S. agriculture. NASS will continue to evaluate its programs and budget for FY 2014, which begins October 1.

**TOP TEN TEXAS COUNTIES a/ – MARCH 2013**

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2012</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2012</u>
1. Erath	59	95,800,992	- 7.23	7. Moore	7	49,626,180	+ 12.73
2. Castro	13	91,836,489	- 2.09	8. Comanche	17	44,195,430	- 1.15
3. Parmer	14	75,269,608	- 15.45	9. Bailey	9	42,232,402	- 5.27
4. Deaf Smith	11	66,191,568	- 0.31	10. Hale	5	39,805,989	- 2.76
5. Hartley	11	55,519,420	+ 2.63	Ten County Total	156	615,949,084	- 3.07
6. Lamb	10	55,471,006	+ 1.58	<u>Other Counties Total</u>	<u>305</u>	<u>221,969,819</u>	<u>- 6.88</u>
				<b>Texas Total</b>	461	837,918,903	- 4.11

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

**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>
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
November	3.93	3.73	3.30	3.21	5.75	5.76	9.05	8.97	197	157
December	3.95	3.73	3.29	3.20	5.77	5.78	9.06	8.98	202	162
Averages 2012	3.79	3.57	3.20	3.09	5.76	5.77	8.95	8.86	223	185
January 2013	3.97	3.74	3.29	3.18	5.77	5.80	9.06	8.98	224	174
February	3.90	3.67	3.25	3.14	5.79	5.81	9.03	8.94	209	164
March	3.87	3.62	3.23	3.10	5.77	5.79	9.01	8.90	204	160

a/ In thousands.

**TOP NEW MEXICO COUNTIES a/ – MARCH 2013**

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2012</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2012</u>
1. Chaves	34	183,905,580	+ 0.19	7. Eddy	3	18,300,340	- 0.69
2. Curry	27	149,557,474	- 4.58	8. Luna	3	17,197,782	- 0.63
3. Roosevelt	31	131,404,140	- 11.76	9. Valencia	5	17,140,835	+ 1.17
4. Dona Ana	19	93,849,114	+ 2.48	10. Bernalillo	4	6,457,609	+ 23.60
5. Lea	13	59,317,328	+ 1.12	Ten County Total	147	700,319,081	- 2.66
6. Socorro	8	23,188,879	+ 4.76	<u>Other Counties Total</u>	<u>2</u>	<u>11,543,020</u>	<u>+ 0.42</u>
				<b>New Mexico Total</b>	149	711,862,101	- 2.62

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 2011 THROUGH MARCH 2013, WITH PRODUCTION PERCENTAGE COMPARISONS**

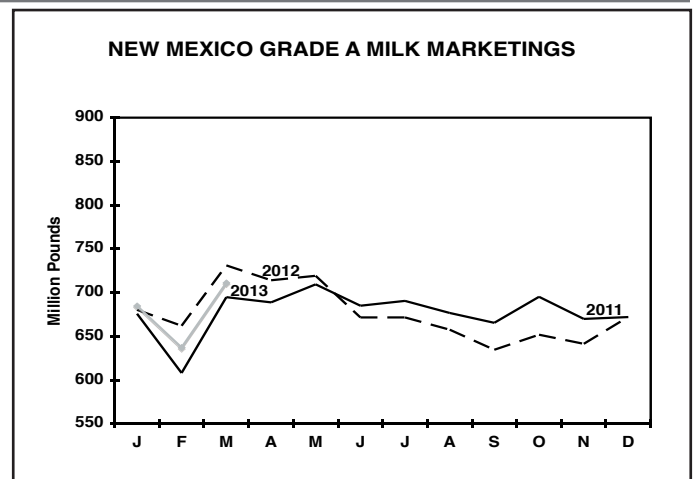
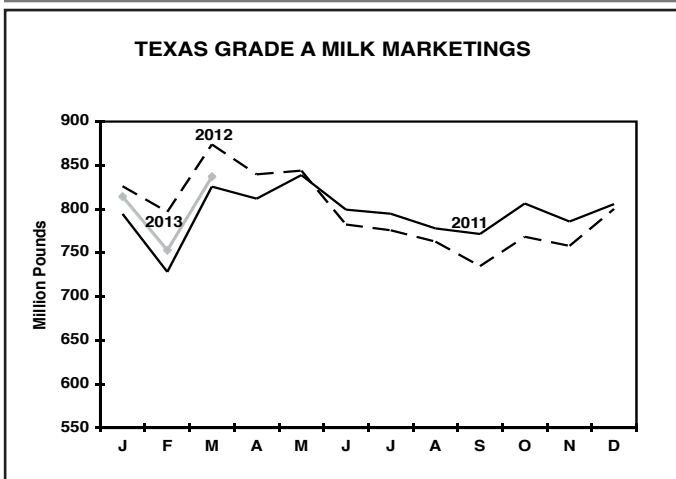
MONTH	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	PERCENT 2012/11	CHANGE 2013/12
January	794,574,299	555	826,060,689	525	815,186,323	468	+ 3.96	- 1.32
February	728,226,604	554	796,799,428	514	751,853,093	465	+ 5.62	- 2.27*
March	831,714,685	552	873,809,464	515	837,918,903	461	+ 5.06	- 4.11
April	812,060,148	549	839,675,231	504			+ 3.40	
May	837,599,963	544	843,983,197	495			+ 0.76	
June	799,434,977	543	782,384,320	491			- 2.13	
July	794,768,069	541	775,879,468	483			- 2.38	
August	779,356,886	540	762,801,472	481			- 2.12	
September	771,537,770	538	734,843,900	481			- 4.76	
October	811,052,943	536	768,680,316	473			- 5.26	
November	785,855,360	533	757,867,560	471			- 3.56	
December	<u>805,829,180</u>	531	<u>800,171,636</u>	470			<u>-0.70</u>	
Years Total	9,552,010,884		9,562,956,681				+ 0.11	

\* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2011 THROUGH MARCH 2013, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	PERCENT 2012/11	CHANGE 2013/12
January	675,834,553	157	680,195,569	157	684,936,342	148	+ 0.65	+ 0.70
February	608,071,702	159	661,854,191	156	637,099,822	148	+ 5.09	- 0.30*
March	694,817,453	159	730,980,867	156	711,862,101	149	+ 5.20	- 2.62
April	688,673,031	158	713,977,651	158			+ 3.67	
May	709,391,501	157	719,067,055	153			+ 1.36	
June	684,767,801	157	666,236,294	152			- 2.71	
July	690,350,883	157	671,552,652	149			- 2.72	
August	676,720,593	158	657,573,314	149			- 2.83	
September	666,022,373	159	634,558,129	148			- 4.72	
October	695,365,627	157	652,048,912	149			- 6.23	
November	669,926,275	157	641,151,756	148			- 4.30	
December	<u>671,984,702</u>	158	<u>672,437,705</u>	148			<u>+0.04</u>	
Years Total	8,131,926,494		8,101,634,095				- 0.37	

\* 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			AMS Product Prices <sup>c/</sup>			
	I <sup>a/</sup>	II	III	IV	P.P.D. <sup>a/</sup>		Other Solids	True Protein	SCC <sup>b/</sup> Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
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
November	23.70	18.81	20.83	18.66	0.54	202.18	46.24	371.72	.00101	184.10	201.46	151.43	64.80
December	24.39	18.30	18.66	17.83	1.56	172.76	47.58	331.13	.00090	159.81	179.25	153.84	66.10
Averages 2012 <sup>d/</sup>	20.46	16.64	17.44	16.01	0.95	172.30	40.63	304.26	.00085	159.43	170.76	132.79	59.35
January 2013	21.97	18.19	18.14	17.63	1.23	161.68	46.47	328.62	.00087	150.66	174.85	156.01	65.03
February	21.21	18.49	17.25	17.75	1.61	166.19	45.34	296.09	.00083	154.38	166.23	155.59	63.93
March	20.80	18.82	16.93	17.75	1.71	174.76	41.79	282.04	.00082	161.46	164.67	152.08	60.48

a/ Subject to location adjustments.    b/ SCC adjustment rate is per 1,000 difference.    c/ Prior to April 2012 NASS product prices were used.    d/ Simple averages

**MARCH 2013  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$366,509.81
Class I Butterfat	60(a)	7,357,170	\$1.6864	\$12,407,131.49
Class I Skim Per Cwt		349,588,258	\$15.4400	\$53,976,427.04
Class II Butterfat	60(b)	7,307,028	\$1.7546	\$12,820,911.34
Class II Nonfat Solids		7,727,659	\$1.4600	\$11,282,382.14
Class III Butterfat	60(c)	24,054,167	\$1.7476	\$42,037,062.26
Class III Protein		20,414,813	\$2.8204	\$57,577,938.58
Class III Other Solids		37,238,696	\$0.4179	\$15,562,051.07
Class IV Butterfat	60(d)	6,908,431	\$1.7476	\$12,073,174.03
Class IV Nonfat Solids		11,402,532	\$1.3395	\$15,273,691.63
Class II, III & IV Somatic Cell Adj.	60(e)			\$1,244,723.40
Total Producer Milk-Product Lbs & Value		1,220,438,080		\$234,622,002.79
Add: Value as for 60(f) Thru 60(j)				\$82,841.55
Less: Total Protein Pounds	61(b)	38,589,749	<b>\$2.8204</b>	\$108,838,528.08
Total Other Solids Pounds		70,689,923	<b>\$0.4179</b>	\$29,541,318.85
Total Butterfat Pounds		45,626,796	<b>\$1.7476</b>	\$79,737,388.74
Total Value of Somatic Cell Adjustment				\$1,692,138.96
<b>Total Milk and Value</b>		1,220,438,080		\$14,895,469.71
Add: Location Differential Adjustments	61(c)			\$6,103,349.79
Producer-Settlement Fund	61(d)			\$466,963.69
<b>Total Producer Milk/URSP and Value</b>		1,220,438,080	\$1.75885	\$21,465,783.19
Less: Producer-Settlement Fund	61(f)		\$0.04885	\$596,292.02
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.71</b>	<b>\$20,869,491.17</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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**MARCH 2013**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	356,945,428	29.25	7,357,170	16.12	349,588,258	29.76
Class II	90,698,746	7.43	7,307,028	16.01	83,391,718	7.10
Class III	642,766,235	52.67	24,054,167	52.73	618,712,068	52.66
Class IV	130,027,671	10.65	6,908,431	15.14	123,119,240	10.48
Total	1,220,438,080	100.00	45,626,796	100.00	1,174,811,284	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	45,626,796	38,589,749	70,689,923	109,279,672
Percentage	3.738	3.161	5.792	8.954

Average Somatic Cell Count	181,000
Total Number of Pooled Producers	456