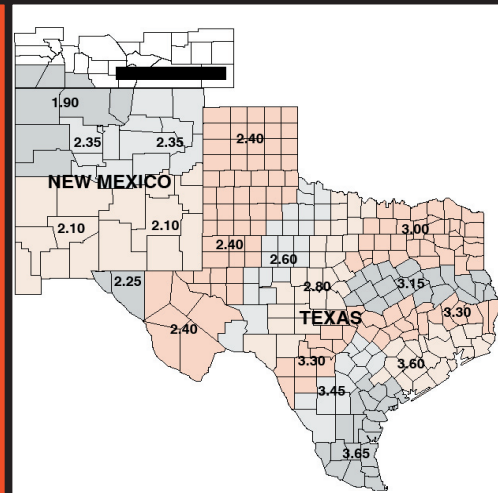


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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JUNE 2013

MARKET SUMMARY FOR MAY

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 \$1.02 for May. Butterfat price decreased \$0.0343 per pound from \$1.8227 in April to the level of \$1.7884 in May. Protein price increased \$0.3467 per pound from \$3.0130 in April to \$3.3597 in May. May's Other Solids price increased \$0.0024 per pound from \$0.3863 in April to \$0.3887 in May. The Somatic Cell Count adjustment rate factor for May was 0.00091 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a May statistical uniform price of \$19.54 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 \$0.50 in comparison to the statistical uniform price of \$19.04 in April.

The May Class I price increased \$0.10 from \$20.66 in April to the May level of \$20.76. The Class II price for May of \$18.43 per hundredweight decreased \$0.30 from \$18.73 in April. May's Class III price increased \$0.93 from \$17.59 in April to \$18.52 in May. The May Class IV price increased \$0.79 from \$18.10 in April to \$18.89 in May.

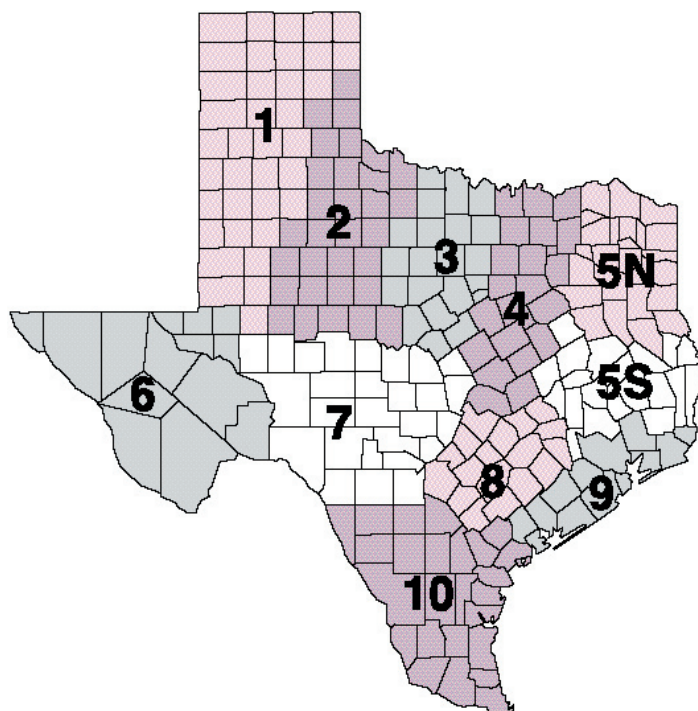
In May 458 producers delivered a total of 1,089,501,560 pounds of milk. On a daily basis this represents a decrease of 10.64 percent from the producer receipts level in April and it represents a decrease of 2.21 percent when compared to the producer receipts level of May 2012.

Producer milk classified as Class I during May amounted to 34.07 percent of total producer receipts. This figure is up from 31.49 percent in April and it is up from 32.29 percent in May 2012. The average butterfat test of producer milk pooled during May was 3.609 percent, average protein test was 3.107 percent, average other solids test was 5.774 percent and the average somatic cell count was 163,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May 13	Apr 13	May 13	Apr 13	May 13	Apr 13
Appalachian - FO 5	20.46	20.42	-----	-----	63.64	63.48
Arizona - FO 131	19.11	18.61	-----	-----	26.97	27.96
Central - FO 32	18.65	18.17	0.13	0.58	32.35	30.21
Florida - FO 6	22.47	22.50	-----	-----	83.78	84.01
Mideast - FO 33	18.89	18.49	0.37	0.90	34.40	38.00
Northeast - FO 1	19.78	19.50	1.26	1.91	35.60	36.50
Pacific Northwest - FO 124	18.79	18.16	0.27	0.57	24.69	24.17
Southeast - FO 7	20.89	20.80	-----	-----	64.25	65.19
Southwest - FO 126	19.54	19.04	1.02	1.45	34.07	31.49
Upper Midwest - FO 30	18.63	17.84	0.11	0.25	11.00	10.80

TEXAS GEOGRAPHIC REGIONS

AREA	REGION NAME
1	HIGH PLAINS
2	LOW PLAINS
3	CROSSTIMBERS
4	BLACKLANDS
5N	NORTHEAST
5S	SOUTHEAST
6	TRANS-PECOS
7	EDWARDS PLATEAU
8	SOUTH CENTRAL
9	UPPER COAST
10	SOUTH



TEXAS DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - MAY 2013

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	96	66.37	3.77	3.19	5.78	8.97	159
2	3	0.90	3.76	3.18	5.81	8.99	198
3	143	20.34	3.70	3.13	5.77	8.90	210
4	34	1.56	3.79	3.16	5.76	8.92	252
5N	156	9.33	3.75	3.17	5.76	8.94	247
5S	3	0.14	3.60	2.93	5.69	8.62	210
6&7	6	0.84	3.55	3.13	5.75	8.89	257
8	12	0.37	3.87	3.06	5.73	8.80	318
9&10	4	0.15	4.35	3.36	5.69	9.06	353
TOTAL/AVG.	457	100.00	3.75	3.18	5.78	8.95	182

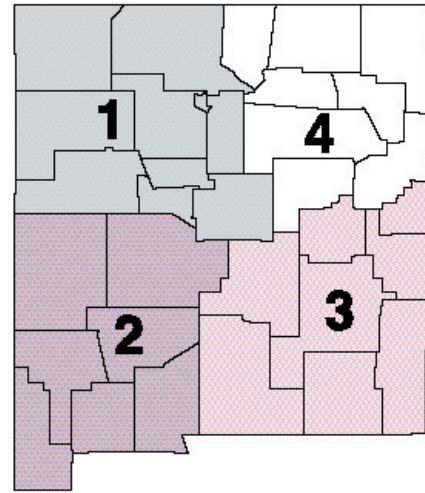
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 2013

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-100	101-250	251-500	501-750	751-1000	1001->	
1	2	1	5	2	4	82	256,080
2	0	1	0	0	0	2	3,476
3	37	33	29	9	10	25	78,479
4	21	4	6	1	2	0	6,007
5N	65	52	22	7	4	6	35,997
5S	2	0	1	0	0	0	537
6&7	2	1	0	1	0	2	3,257
8	8	3	1	0	0	0	1,424
9&10	1	2	1	0	0	0	584
TOTAL	138	97	65	20	20	117	385,841

*ESTIMATED BASED ON A 70 LB/DAY/COW AVERAGE

NEW MEXICO GEOGRAPHIC REGIONS

AREA	REGION NAME
1	NORTHWEST
2	SOUTHWEST
3	SOUTHEAST
4	NORTHEAST



NEW MEXICO DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - MAY 2013

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	10	4.19	3.54	3.05	5.76	8.81	173
2	31	20.13	3.46	3.01	5.78	8.79	127
3	109	75.68	3.47	3.07	5.77	8.84	139
4	0	0	0	0	0	0	0
TOTAL/AVG.	150	100.00	3.47	3.05	5.78	8.83	138

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 2013

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-250	251-500	501-1000	1001-2000	2001-3000	3001->	
1	2	1	3	1	2	1	12,812
2	0	2	4	10	11	4	61,523
3	1	4	14	31	34	25	231,346
4	0	0	0	0	0	0	0
TOTAL	3	7	21	42	47	30	305,681

*ESTIMATED BASED ON A 75 LB/DAY/COW AVERAGE

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
March 2012	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
April	3.80	3.54	3.21	3.08	5.77	5.78	8.99	8.86	196	150
May	3.75	3.47	3.18	3.05	5.78	5.78	8.95	8.83	182	138

a/ In thousands.

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

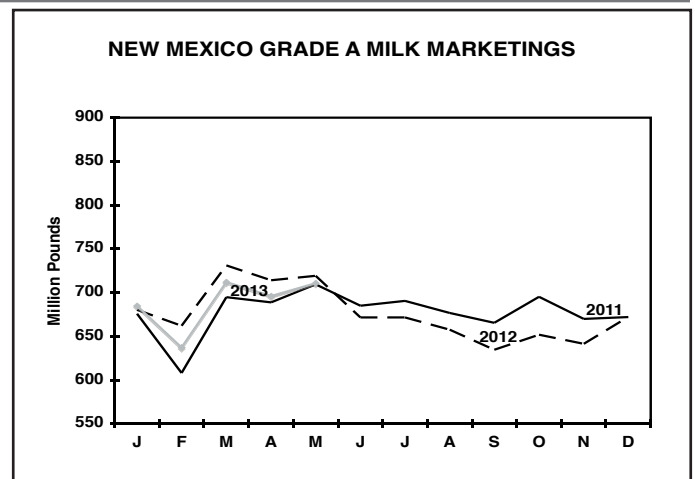
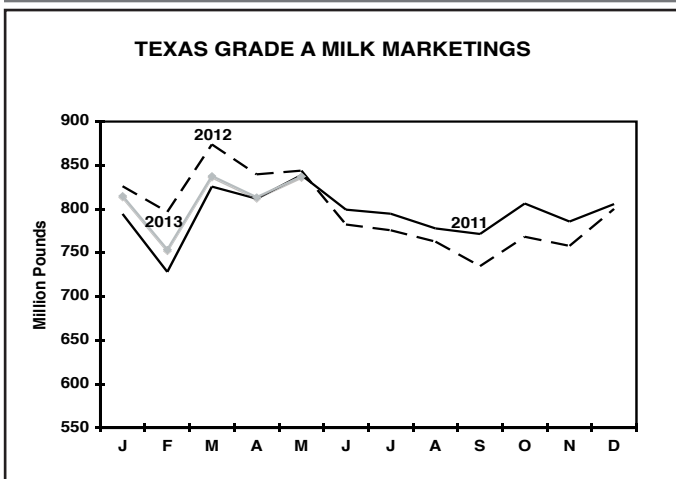
MONTH	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	PERCENT 2012/11	CHANGE 2013/12
January	794,574,299	555	826,060,689	525	815,186,323	468	+ 3.96	- 1.32
February	728,226,604	554	796,799,428	514	751,853,093	465	+ 5.62	- 2.27*
March	831,714,685	552	873,809,464	515	837,918,903	461	+ 5.06	- 4.11
April	812,060,148	549	839,675,231	504	813,654,074	456	+ 3.40	- 3.10
May	837,599,963	544	843,983,197	495	837,276,897	457	+ 0.76	- 0.79
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 MAY 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	695,977,148	150	+ 3.67	- 2.52
May	709,391,501	157	719,067,055	153	710,709,847	150	+ 1.36	- 1.16
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 ^{c/}			
	I ^{a/}	II	III	IV	P.P.D. ^{a/}		Other Solids	True Protein	SCC ^{b/} Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
March 2012	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 ^{d/}	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
April	20.66	18.73	17.59	18.10	1.45	182.27	38.63	301.30	.00087	167.66	173.10	153.12	57.41
May	20.76	18.43	18.52	18.89	1.02	178.84	38.87	335.97	.00091	164.83	182.74	163.74	57.65

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

**MAY 2013
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$416,717.58
Class I Butterfat	60(a)	7,580,439	\$1.8255	\$13,838,091.42
Class I Skim Per Cwt		363,653,149	\$14.8900	\$54,147,953.91
Class II Butterfat	60(b)	8,306,302	\$1.7954	\$14,913,134.64
Class II Nonfat Solids		8,454,928	\$1.3989	\$11,827,598.76
Class III Butterfat	60(c)	20,599,694	\$1.7884	\$36,840,492.78
Class III Protein		17,570,998	\$3.3597	\$59,033,281.99
Class III Other Solids		32,609,088	\$0.3887	\$12,675,152.52
Class IV Butterfat	60(d)	2,837,595	\$1.7884	\$5,074,754.91
Class IV Nonfat Solids		4,667,290	\$1.4549	\$6,790,440.23
Class II, III & IV Somatic Cell Adj.	60(e)			\$1,274,900.26
Total Producer Milk-Product Lbs & Value		1,089,501,560		\$216,832,519.00
Add: Value as for 60(f) Thru 60(j)				\$89,872.20
Less: Total Protein Pounds	61(b)	33,853,182	\$3.3597	\$113,736,535.60
Total Other Solids Pounds		62,918,502	\$0.3887	\$24,456,421.78
Total Butterfat Pounds		39,324,030	\$1.7884	\$70,327,095.26
Total Value of Somatic Cell Adjustment				\$1,847,826.94
Total Milk and Value		1,089,501,560		\$6,554,511.62
Add: Location Differential Adjustments	61(c)			\$4,530,353.78
Producer-Settlement Fund	61(d)			\$555,773.75
Total Producer Milk/URSP and Value		1,089,501,560	\$1.06843	\$11,640,639.15
Less: Producer-Settlement Fund	61(f)		\$0.04843	\$527,723.24
Producer Price Differential (Dallas County)			\$1.02	\$11,112,915.91

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REPORT**

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

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**MAY 2013
 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	371,233,588	34.07	7,580,439	19.28	363,653,149	34.63
Class II	100,218,735	9.20	8,306,302	21.12	91,912,433	8.75
Class III	564,638,048	51.83	20,599,694	52.38	544,038,354	51.80
Class IV	53,411,189	4.90	2,837,595	7.22	50,573,594	4.82
Total	1,089,501,560	100.00	39,324,030	100.00	1,050,177,530	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	39,324,030	33,853,182	62,918,502	96,771,684
Percentage	3.609	3.107	5.774	8.882

Average Somatic Cell Count	163,000
Total Number of Pooled Producers	458