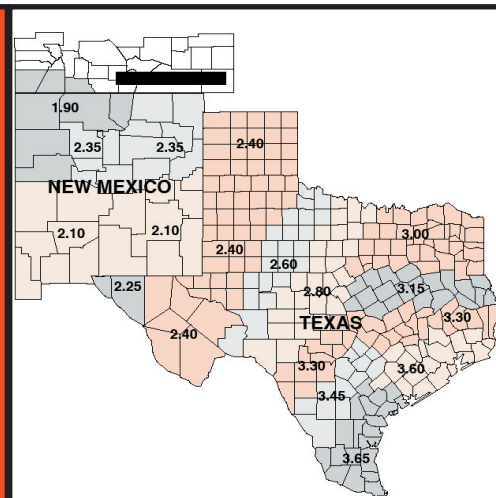


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## 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 \$1.61 for February. Butterfat price increased \$0.0451 per pound from \$1.6168 in January to the level of \$1.6619 in February. Protein price decreased \$0.3253 per pound from \$3.2862 in January to \$2.9609 in February. February's Other Solids price decreased \$0.0113 per pound from \$0.4647 in January to \$0.4534 in February. The Somatic Cell Count adjustment rate factor for February was 0.00083 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 \$18.86 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 \$0.51 in comparison to the statistical uniform price of \$19.37 in January.

The February Class I price decreased \$0.76 from \$21.97 in January to the February level of \$21.21. The Class II price for February of \$18.49 per hundredweight increased \$0.30 from \$18.19 in February. February's Class III price decreased \$0.89 from \$18.14 in January to \$17.25 in February. The Class IV price increased \$0.12 from \$17.63 in January to \$17.75 in February.

In February 545 producers delivered a total of 1,128,435,593 pounds of milk. On a daily basis this represents a decrease of 0.73 percent from the producer receipts level in January but it represents an increase of 7.85 percent when compared to the producer receipts level of February 2012.

Producer milk classified as Class I during February amounted to 29.80 percent of total producer receipts. This figure is down from 31.13 percent in January and it is down from 32.54 percent in February 2012. The average butterfat test of producer milk pooled during February was 3.782 percent, average protein test was 3.182 percent, average other solids test was 5.802 percent and the average somatic cell count was 184,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Feb 13	Jan 13	Feb 13	Jan 13	Feb 13	Jan 13
Appalachian - FO 5	20.66	21.10	-----	-----	67.54	69.69
Arizona - FO 131	18.51	18.82	-----	-----	28.51	29.74
Central - FO 32	18.11	18.57	0.86	0.43	33.37	36.43
Florida - FO 6	22.90	23.32	-----	-----	86.25	85.95
Mideast - FO 33	18.37	18.73	1.12	0.59	37.20	36.80
Northeast - FO 1	19.43	19.73	2.18	1.59	38.10	38.80
Pacific Northwest - FO 124	18.02	18.41	0.77	0.27	25.96	27.24
Southeast - FO 7	21.05	21.50	-----	-----	66.40	68.78
<b>Southwest - FO 126</b>	<b>18.86</b>	<b>19.37</b>	<b>1.61</b>	<b>1.23</b>	<b>29.80</b>	<b>31.13</b>
Upper Midwest - FO 30	17.57	18.34	0.32	0.20	11.00	11.00

### FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, ANNUAL 2012

**HIGHLIGHTS.** Handler reports of receipts and utilization under the Federal milk order system for 2012 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During 2012, more than 122.3 billion pounds of milk were received from producers. This total annual volume of milk is 3.8 percent lower than the 2011 total annual volume. There were volumes of milk not pooled due to intraorder disadvantageous price relationships in both years. More than 43.4 billion pounds of producer milk were used in Class I products, 2.3 percent lower than the previous year. The all-market average Class utilization percentages were: Class I = 35%, Class II = 14%, Class III = 39% and Class IV = 12%. The 2012 weighted average statistical uniform price was \$18.05 per cwt., \$1.82 per cwt. lower than the 2011 weighted average statistical uniform price.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE YEAR 2012												
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 3/	Percent	Total	Change From Prev. Year 3/	Percent	Class II	Class III	Class IV		
		Mil. Lbs.	Percent	Percent	Mil. Lbs.	Percent	Percent	Percent				
Northeast (Boston)	001	24,695.3	1.1	9,801.9	-3.0	40	26	24	10	18.62		
Appalachian (Charlotte)	005	5,862.6	-4.6	3,985.2	-5.5	68	15	7	10	19.69		
Florida (Tampa)	006	2,889.8	-1.3	2,439.3	-1.3	84	9	2	5	21.95		
Southeast (Atlanta)	007	6,793.6	-4.0	4,483.1	-2.2	66	10	16	8	20.03		
Upper Midwest (Chicago)	030 4/	30,683.9	-6.6	3,818.1	-10.2	12	5	79	4	17.36		
Central (Kansas City)	032 4/	13,388.6	-4.2	4,875.0	8.7	36	13	34	17	17.21		
Mideast (Cleveland)	033 4/	16,805.8	5.2	6,217.6	-2.1	37	19	30	14	17.54		
Pacific Northwest (Seattle)	124 4/	6,718.7	-16.5	2,189.3	-2.2	33	7	29	31	17.09		
Southwest (Dallas)	126 4/	9,994.2	-11.3	4,282.8	-2.3	43	12	32	13	18.22		
Arizona (Phoenix)	131 4/	4,555.9	0.6	1,399.8	-1.0	31	8	25	36	17.51		
All Market Average or Total	4/	122,388.4	-3.8	43,492.2	-2.3	35	14	39	12	18.05		

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/ Year over year comparisons were adjusted for the 2012 leap year. 4/ 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 13.333 billion pounds of milk that normally would have been associated with these markets. In 2011, the estimated not pooled volume of milk was 5.402 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 -2.3%. Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932.

SOURCE: "Dairy Market News", February 11-15, 2013, Volume 80, Report 07.

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

County	Number of Producers	Pounds	% Change From 2012	County	Number of Producers	Pounds	% Change From 2012
1. Erath	59	85,242,025	- 8.68	7. Moore	7	44,377,488	+ 17.43
2. Castro	13	82,462,952	- 0.29	8. Comanche	17	39,972,053	+ 1.01
3. Parmer	14	69,266,391	- 11.12	9. Bailey	9	37,966,921	- 1.49
4. Deaf Smith	11	60,487,380	+ 4.54	10. Hale	5	35,543,875	- 1.68
5. Hartley	11	49,482,126	+ 3.32	Ten County Total	156	553,651,508	- 1.06
6. Lamb	10	48,850,297	+ 2.25	<u>Other Counties Total</u>	<u>309</u>	<u>198,201,585</u>	<u>- 5.51</u>
				<b>Texas Total</b>	465	751,853,093	- 2.27

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 <sup>a/</sup>	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
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
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

a/ In thousands.

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

County	Number of Producers	Pounds	% Change From 2012	County	Number of Producers	Pounds	% Change From 2012
1. Chaves	34	164,742,317	+ 2.94	7. Eddy	3	16,191,180	+ 1.25
2. Curry	25	130,147,513	- 5.98	8. Luna	3	15,724,160	+ 4.59
3. Roosevelt	32	118,876,891	- 7.77	9. Valencia	5	15,427,889	+ 6.74
4. Dona Ana	19	86,125,709	+ 6.27	10. Bernalillo	4	5,717,836	+ 22.80
5. Lea	13	53,138,540	+ 3.46	Ten County Total	146	626,656,309	- 0.41
6. Socorro	8	20,564,274	+ 6.42	<u>Other Counties Total</u>	<u>2</u>	<u>10,443,513</u>	<u>+ 6.43</u>
				<b>New Mexico Total</b>	148	637,099,822	- 0.30

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 FEBRUARY 2013, WITH PRODUCTION PERCENTAGE COMPARISONS**

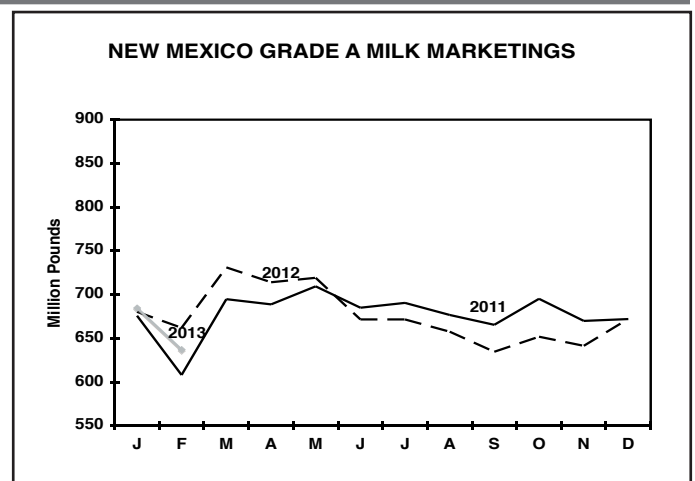
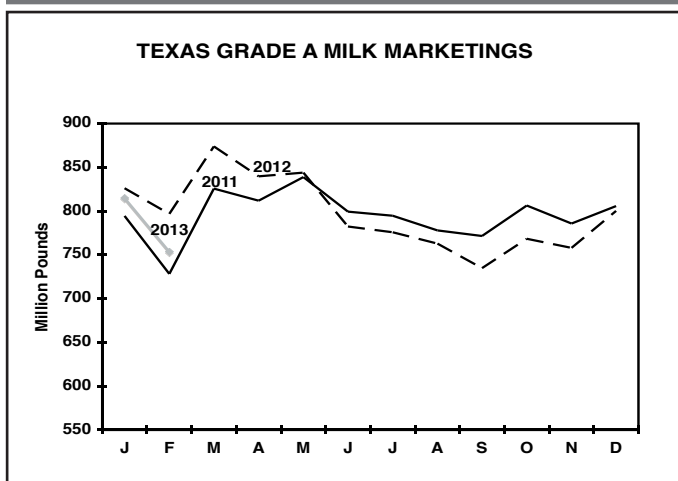
MONTH	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	PERCENT 2012/11	CHANGE 2013/12
January	794,574,299	555	826,060,689	525	815,186,323	468	+ 3.96	- 1.32
February	728,226,604	554	796,799,428	514	751,853,093	465	+ 5.62	- 2.27*
March	831,714,685	552	873,809,464	515			+ 5.06	
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 FEBRUARY 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			+ 5.20	
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-----						
Averages 2011 <sup>d/</sup>	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
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

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

**FEBRUARY 2013  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$348,597.37
Class I Butterfat	60(a)	6,645,375	\$1.6727	\$11,115,718.78
Class I Skim Per Cwt		329,613,747	\$15.9100	\$52,441,547.18
Class II Butterfat	60(b)	7,934,525	\$1.6689	\$13,241,928.77
Class II Nonfat Solids		8,242,943	\$1.4567	\$12,007,495.08
Class III Butterfat	60(c)	21,889,695	\$1.6619	\$36,378,484.16
Class III Protein		18,550,590	\$2.9609	\$54,926,441.97
Class III Other Solids		33,621,097	\$0.4534	\$15,243,805.41
Class IV Butterfat	60(d)	6,211,014	\$1.6619	\$10,322,084.15
Class IV Nonfat Solids		10,265,169	\$1.3742	\$14,106,395.26
Class II, III & IV Somatic Cell Adj.	60(e)			\$1,146,899.50
Total Producer Milk-Product Lbs & Value		1,128,435,593		\$221,279,397.63
Add: Value as for 60(f) Thru 60(j)				\$106,303.27
Less: Total Protein Pounds	61(b)	35,912,737	<b>\$2.9609</b>	\$106,334,023.03
Total Other Solids Pounds		65,482,039	<b>\$0.4534</b>	\$29,689,556.49
Total Butterfat Pounds		42,680,609	<b>\$1.6619</b>	\$70,930,904.15
Total Value of Somatic Cell Adjustment				\$1,573,364.24
<b>Total Milk and Value</b>		1,128,435,593		\$12,857,852.99
Add: Location Differential Adjustments	61(c)			\$5,401,347.64
Producer-Settlement Fund	61(d)			\$430,659.12
<b>Total Producer Milk/URSP and Value</b>		1,128,435,593	\$1.65626	\$18,689,859.75
Less: Producer-Settlement Fund	61(f)		\$0.04626	\$522,046.70
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.61</b>	<b>\$18,167,813.05</b>

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

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

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	336,259,122	29.80	6,645,375	15.57	329,613,747	30.36
Class II	96,454,984	8.55	7,934,525	18.59	88,520,459	8.15
Class III	579,129,419	51.32	21,889,695	51.29	557,239,724	51.32
Class IV	116,592,068	10.33	6,211,014	14.55	110,381,054	10.17
Total	1,128,435,593	100.00	42,680,609	100.00	1,085,754,984	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	42,680,609	35,912,737	65,482,039	101,394,776
Percentage	3.782	3.182	5.802	8.985

Average Somatic Cell Count	184,000
Total Number of Pooled Producers	545