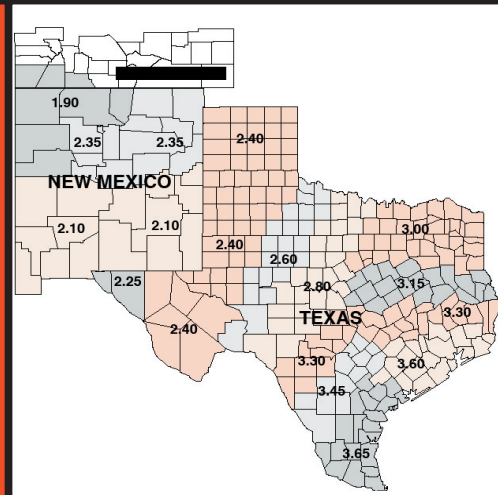


# THE MARKET ADMINISTRATOR'S

# 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>

VOLUME XXXVIII, NO. 5

MAY 2013

## MARKET SUMMARY FOR APRIL

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 \$1.45 for April. Butterfat price increased \$0.0751 per pound from \$1.7476 in March to the level of \$1.8227 in April. Protein price increased \$0.1926 per pound from \$2.8204 in March to \$3.0130 in April. April's Other Solids price decreased \$0.0316 per pound from \$0.4179 in March to \$0.3863 in April. The Somatic Cell Count adjustment rate factor for April was 0.00087 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a April statistical uniform price of \$19.04 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 \$0.40 in comparison to the statistical uniform price of \$18.64 in March.

The April Class I price decreased \$0.14 from \$20.80 in March to the April level of \$20.66. The Class II price for April of \$18.73 per hundredweight decreased \$0.09 from \$18.82 in March. April's Class III price increased \$0.66 from \$16.93 in March to \$17.59 in April. The April Class IV price increased \$0.35 from \$17.75 in March to \$18.10 in April.

In April 469 producers delivered a total of 1,179,854,851 pounds of milk. On a daily basis this represents a decrease of 0.10 percent from the producer receipts level in March but it represents an increase of 3.37 percent when compared to the producer receipts level of April 2012.

Producer milk classified as Class I during April amounted to 31.49 percent of total producer receipts. This figure is up from 29.25 percent in March and it is up from 30.58 percent in April 2012. The average butterfat test of producer milk pooled during April was 3.656 percent, average protein test was 3.133 percent, average other solids test was 5.780 percent and the average somatic cell count was 176,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 13	Mar 13	Apr 13	Mar 13	Apr 13	Mar 13
Appalachian - FO 5	20.42	20.29	-----	-----	63.48	60.69
Arizona - FO 131	18.61	18.30	-----	-----	27.96	26.45
Central - FO 32	18.17	17.87	0.58	0.94	30.21	30.38
Florida - FO 6	22.50	22.59	-----	-----	84.01	85.19
Mideast - FO 33	18.49	18.22	0.90	1.29	38.00	38.10
Northeast - FO 1	19.50	19.32	1.91	2.39	36.50	36.10
Pacific Northwest - FO 124	18.16	17.82	0.57	0.89	24.17	24.39
Southeast - FO 7	20.80	20.70	-----	-----	65.19	64.64
<b>Southwest - FO 126</b>	<b>19.04</b>	<b>18.64</b>	<b>1.45</b>	<b>1.71</b>	<b>31.49</b>	<b>29.25</b>
Upper Midwest - FO 30	17.84	17.26	0.25	0.33	10.80	10.40

## MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, 2012 ANNUAL AVERAGES, WITH COMPARISONS 1/

For 2012, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$18.59 per cwt., \$1.61 lower than the all-area average reported for 2011. The component tests of producer milk in 2012 averaged: butterfat, 3.71%; protein 3.07%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices decreased for all Federal order milk reporting areas, and ranged from \$21.09 in Florida to \$16.61 in New Mexico. The Indiana reporting area experienced the largest annual decrease of \$2.28/cwt while the Minnesota reporting area experienced the lowest annual decrease of \$0.87/cwt.

Reporting Area <sup>2/</sup>	Mailbox Milk Price <sup>3/</sup>		
	2011	2012	Change 2012 from 2011
	Dollars per cwt.		
New England States <sup>4/</sup>	21.34	19.59	-1.75
New York	20.00	18.59	-1.41
Eastern Pennsylvania <sup>5/</sup>	20.84	18.91	-1.93
Appalachian States <sup>6/</sup>	21.64	19.39	-2.25
Southeast States <sup>7/</sup>	22.00	19.94	-2.06
Southern Missouri <sup>8/</sup>	20.05	17.79	-2.26
Florida	23.14	21.09	-2.05
Western Pennsylvania <sup>9/</sup>	20.93	18.83	-2.10
Ohio	20.85	18.67	-2.18
Indiana	20.42	18.14	-2.28
Michigan	20.11	17.94	-2.17
Wisconsin	20.06	19.08	-0.98
Minnesota	19.95	19.08	-0.87
Iowa	20.25	18.99	-1.26
Illinois	20.58	18.99	-1.59
Corn Belt States <sup>10/</sup>	19.88	18.02	-1.86
Western Texas <sup>11/</sup>	19.37	17.46	-1.91
New Mexico	18.33	16.61	-1.72
Northwest States <sup>12/</sup>	19.90	18.02	-1.88
All Market Avg. <sup>13/</sup>	20.20	18.59	-1.61
California <sup>14/</sup>	18.14	16.29	-1.85

1/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 2/ Information is shown for those area for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from that area. 3/ Figures are annual averages -- the weighted average of the monthly figures; except California, which is the simple average. 4/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 5/ All counties to the east of those listed in 9/. 6/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 7/ Includes Alabama, Arkansas, Georgia,

Louisiana, and Mississippi. 8/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 9/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 10/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 8/. 11/ All counties to the west of Fannin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 12/ Includes Oregon and Washington. 13/ Weighted average of the information for all selected reporting areas in Federal milk orders. 14/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin." Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932.

## DAIRY PRODUCTS 2012 SUMMARY

**Butter** production in the United States during 2012 totaled 1.86 billion pounds, 2.8 percent above 2011. California accounted for 35.2 percent of the production.

**Total cheese** production, excluding cottage cheeses, was 10.9 billion pounds, 2.8 percent above 2011 production. Wisconsin was the leading State with 25.6 percent of the production, followed by California with 20.6 percent and Idaho with 7.9 percent.

**American type cheese** production was 4.36 billion pounds, 3.1 percent above 2011 and accounted for 40.0 percent of total cheese in 2012. Wisconsin was the leading State with 19.0 percent of production, followed by Idaho with 13.9 percent and California with 13.7 percent.

**Italian varieties**, with 4.63 billion pounds were 1.1 percent above 2011 production and accounted for 42.5 percent of total cheese in 2012. Mozzarella accounted for 78.0 percent of the Italian production followed by Provolone with 7.7 percent and Parmesan with 6.4 percent. California was the leading State in Italian cheese production with 30.7 percent of the production, followed by Wisconsin with 30.3 percent and New York with 7.9 percent

**Ice cream**, regular totaled 899 million gallons, up 1.2 percent from 2011. Lowfat ice cream, at 467 million gallons, was up 12.3 percent.

**Nonfat dry milk** for human food totaled 1.76 billion pounds, up 17.7 percent from 2011. California was the leading state with 47.1 percent of the production. Skim milk powders totaled 381 million pounds, down 14.7 percent.

**Dry whey**, total production, at 999 million pounds, was down 1.1 percent from 2011. Lactose, Human and Animal production was 1.03 billion pounds, up 2.6 percent.

**Dairy Plants:** During 2012, there were 1,288 dairy plants in the U.S. manufacturing one or more dairy products, 10 more than in 2011.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Dairy Products 2012 Summary, April 2013

## TOP TEN TEXAS COUNTIES a/ – APRIL 2013

County	Number of Producers	Pounds	% Change From 2012	County	Number of Producers	Pounds	% Change From 2012
1. Castro	13	92,273,452	+ 1.58	7. Moore	7	43,571,624	+ 7.64
2. Erath	59	89,876,419	- 7.28	8. Comanche	17	41,857,311	+ 0.47
3. Parmer	14	75,541,550	- 16.00	9. Bailey	9	41,402,513	- 4.11
4. Deaf Smith	11	64,311,278	- 1.11	10. Hale	5	39,037,847	- 3.56
5. Lamb	10	55,878,301	+ 3.39	Ten County Total	156	597,651,479	- 3.13
6. Hartley	11	53,901,184	- 0.94	<u>Other Counties Total</u>	<u>300</u>	<u>216,002,595</u>	<u>- 3.00</u>
				<b>Texas Total</b>	456	813,654,074	- 3.10

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
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
April	3.80	3.54	3.21	3.08	5.77	5.78	8.99	8.86	196	150

a/ In thousands.

## TOP NEW MEXICO COUNTIES a/ – APRIL 2013

County	Number of Producers	Pounds	% Change From 2012	County	Number of Producers	Pounds	% Change From 2012
1. Chaves	34	177,914,394	- 1.18	7. Eddy	3	18,400,820	+ 1.18
2. Curry	27	144,274,025	- 6.82	8. Luna	3	17,722,737	- 0.55
3. Roosevelt	32	129,871,030	- 8.07	9. Valencia	5	17,404,031	+ 4.07
4. Dona Ana	19	94,011,797	+ 4.16	10. Bernalillo	4	6,103,561	+ 19.05
5. Lea	13	55,746,343	- 1.36	Ten County Total	148	684,239,698	- 2.61
6. Socorro	8	22,790,960	+ 4.71	<u>Other Counties Total</u>	<u>2</u>	<u>11,737,450</u>	<u>+ 2.65</u>
				<b>New Mexico Total</b>	150	695,977,148	- 2.52

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 APRIL 2013, WITH PRODUCTION PERCENTAGE COMPARISONS**

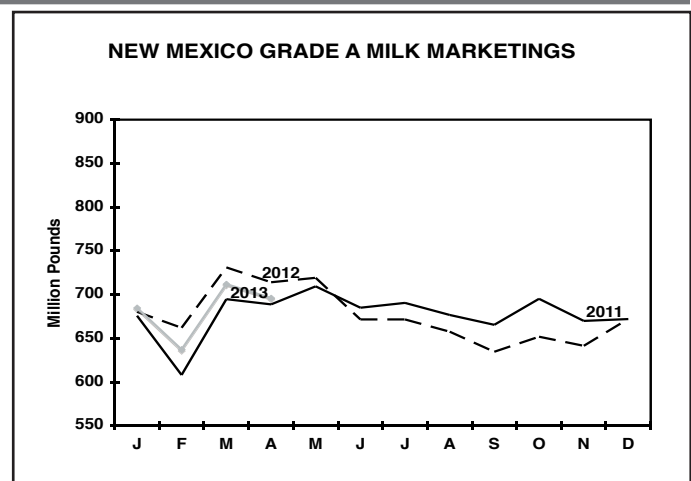
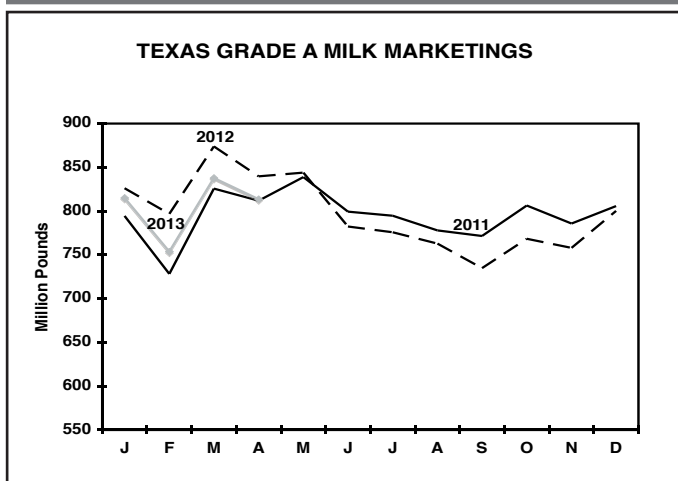
MONTH	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	PERCENT 2012/11	CHANGE 2013/12
January	794,574,299	555	826,060,689	525	815,186,323	468	+ 3.96	- 1.32
February	728,226,604	554	796,799,428	514	751,853,093	465	+ 5.62	- 2.27*
March	831,714,685	552	873,809,464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



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			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-----						
February 2012	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
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

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

**APRIL 2013  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$372,627.86
Class I Butterfat	60(a)	7,396,612	\$1.7489	\$12,935,934.75
Class I Skim Per Cwt		364,091,744	\$15.0700	\$54,868,625.84
Class II Butterfat	60(b)	7,957,965	\$1.8297	\$14,560,688.59
Class II Nonfat Solids		8,926,510	\$1.4189	\$12,665,825.03
Class III Butterfat	60(c)	21,903,283	\$1.8227	\$39,923,113.93
Class III Protein		18,625,743	\$3.0130	\$56,119,363.68
Class III Other Solids		34,274,088	\$0.3863	\$13,240,080.21
Class IV Butterfat	60(d)	5,885,779	\$1.8227	\$10,728,009.44
Class IV Nonfat Solids		9,639,101	\$1.3498	\$13,010,858.55
Class II, III & IV Somatic Cell Adj.	60(e)			\$1,299,772.57
Total Producer Milk-Product Lbs & Value		1,179,854,851		\$229,713,900.45
Add: Value as for 60(f) Thru 60(j)				\$70,577.23
Less: Total Protein Pounds	61(b)	36,967,299	<b>\$3.0130</b>	\$111,382,471.89
Total Other Solids Pounds		68,195,572	<b>\$0.3863</b>	\$26,343,949.49
Total Butterfat Pounds		43,143,639	<b>\$1.8227</b>	\$78,637,910.81
Total Value of Somatic Cell Adjustment				\$1,800,901.82
<b>Total Milk and Value</b>		1,179,854,851		\$11,619,243.67
Add: Location Differential Adjustments	61(c)			\$5,477,572.03
Producer-Settlement Fund	61(d)			\$538,758.97
<b>Total Producer Milk/URSP and Value</b>		1,179,854,851	\$1.49472	\$17,635,574.67
Less: Producer-Settlement Fund	61(f)		\$0.04472	\$527,679.33
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.45</b>	<b>\$17,107,895.34</b>

**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

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

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	371,488,356	31.49	7,396,612	17.14	364,091,744	32.03
Class II	104,785,525	8.88	7,957,965	18.45	96,827,560	8.52
Class III	593,189,818	50.27	21,903,283	50.77	571,286,535	50.26
Class IV	110,391,152	9.36	5,885,779	13.64	104,505,373	9.19
<b>Total</b>	<b>1,179,854,851</b>	<b>100.00</b>	<b>43,143,639</b>	<b>100.00</b>	<b>1,136,711,212</b>	<b>100.00</b>

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
<b>Total Pounds</b>	<b>43,143,639</b>	<b>36,967,299</b>	<b>68,195,572</b>	<b>105,162,871</b>
<b>Percentage</b>	<b>3.656</b>	<b>3.133</b>	<b>5.780</b>	<b>8.913</b>

<b>Average Somatic Cell Count</b>	<b>176,000</b>
<b>Total Number of Pooled Producers</b>	<b>469</b>