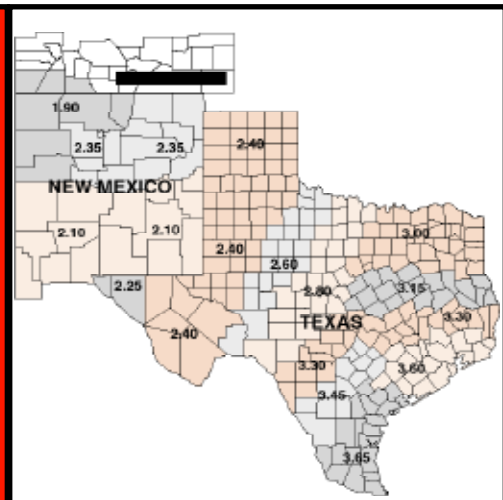


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR SEPTEMBER

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 \$1.83 for September. Butterfat price increased \$0.0092 per pound from \$1.5104 in August to the level of \$1.5196 in September. Protein price increased \$0.0644 per pound from \$3.4775 in August to \$3.5419 in September. September's Other Solids price increased \$0.0013 per pound from \$0.3901 in August to \$0.3914 in September. The Somatic Cell Count adjustment rate factor for September was 0.00090 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a September statistical uniform price of \$19.97 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 \$0.23 in comparison to the statistical uniform price of \$19.74 in August.

The September Class I price increased \$0.28 from \$21.88 in August to the September level of \$22.16. The Class II price for September of \$19.78 per hundredweight increased \$0.51 from \$19.27 in August. September's Class III price increased \$0.23 from \$17.91 in August to \$18.14 in September. The September Class IV price increased \$0.36 from \$19.07 in August to \$19.43 in September.

In September 479 producers delivered a total of 989,110,201 pounds of milk. On a daily basis this represents a increase of 3.40 percent from the producer receipts level in August but it represents an increase of 88.43 percent when compared to the producer receipts level of September 2012.

Producer milk classified as Class I during September amounted to 36.02 percent of total producer receipts. This figure is down from 36.73 percent in August but it is down from 67.45 percent in September 2012. The average butterfat test of producer milk pooled during September was 3.626 percent, average protein test was 3.116 percent, average other solids test was 5.732 percent and the average somatic cell count was 219,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Sep 13	Aug 13	Sep 13	Aug 13	Sep 13	Aug 13
Appalachian - FO 5	21.72	21.35	-----	-----	70.81	70.58
Arizona - FO 131	19.79	19.41	-----	-----	33.44	32.17
Central - FO 32	19.17	18.92	1.03	1.01	32.57	33.16
Florida - FO 6	23.86	23.56	-----	-----	86.50	87.92
Mideast - FO 33	19.56	19.32	1.42	1.41	40.80	39.20
Northeast - FO 1	20.58	20.28	2.44	2.37	38.90	36.90
Pacific Northwest - FO 124	19.13	18.93	0.99	1.02	28.92	27.88
Southeast - FO 7	22.10	21.81	-----	-----	69.72	72.29
Southwest - FO 126	19.97	19.74	1.83	1.83	36.02	36.73
Upper Midwest - FO 30	18.50	18.25	0.36	0.34	10.80	10.60

**ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,
JULY 2013, WITH COMPARISONS 1/**

Product Name	Sales		Change From:	
	July	Y-T-D	Previous Year	Y-T-D
	Million Pounds		Percent	
Whole Milk	1,125	7,649	0.5	-1.6
Flavored Whole Milk	43	310	2.7	9.0
Reduced Fat Milk (2%)	1,477	10,158	- 0.3	- 1.8
Low Fat Milk (1%)	514	4,009	- 2.0	- 3.1
Fat-Free Milk (Skim)	529	3,906	- 7.4	- 8.5
Flavored Fat-Reduced Milk	149	2,081	1.9	- 0.7
Buttermilk	42	280	7.4	3.4
Total Conventional Milk Products 5/	3,879	28,393	- 1.2	- 2.7
Organic Whole Milk	52	344	20.2	10.5
Organic Reduced Fat Milk	52	366	30.7	12.2
Organic Low Fat Milk	42	261	15.1	- 1.5
Organic Fat-Free Milk (Skim)	35	247	0.5	- 3.3
Organic Flavored Milk	9	70	- 15.2	- 2.5
Organic Fat-Reduced Milk 3/	137	949	13.6	2.7
Total Organic Milk Products	189	1,293	15.3	4.7
Total Fluid Milk Products 4/	4,068	29,686	- 0.5	- 2.4
Total Fluid Milk Products Adj 4/5/	*	*	*	*

*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous milk products combined. 4/ Total fluid milk products include the products listed price plus miscellaneous products and eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition.

TOP TEN TEXAS COUNTIES a/ – SEPTEMBER 2013

County	Number of Producers	Pounds	% Change From 2012	County	Number of Producers	Pounds	% Change From 2012
1. Castro	13	90,409,244	+ 6.06	7. Hartley	11	52,091,003	+ 4.45
2. Parmer	14	76,891,062	- 11.89	8. Hale	6	43,106,122	+ 13.87
3. Erath	58	73,809,876	-2.19	9. Bailey	9	40,000,650	+ 1.10
4. Deaf Smith	12	63,124,172	+ 0.78	10. Comanche	17	33,363,999	-0.56
5. Lamb	10	55,914,669	+ 7.93	Ten County Total	158	581,861,187	+ 2.04
6. Moore	8	53,150,390	+ 13.08	<u>Other Counties Total</u>	<u>288</u>	<u>162,802,492</u>	<u>-1.09</u>
				Texas Total	446	744,663,679	+ 1.34

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
July 2012	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
June	3.67	3.39	3.11	2.99	5.78	5.78	8.89	8.77	197	152
July	3.66	3.38	3.11	2.99	5.78	5.78	8.89	8.76	227	190
August	3.72	3.45	3.13	3.01	5.74	5.75	8.88	8.75	242	204
September	3.76	3.49	3.18	3.06	5.73	5.74	8.91	8.80	233	206

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – SEPTEMBER 2013

County	Number of Producers	Pounds	% Change From 2012	County	Number of Producers	Pounds	% Change From 2012
1. Chaves	33	156,725,300	+ 1.19	7. Luna	3	16,400,052	+ 4.57
2. Curry	27	135,436,544	- 4.38	8. Valencia	5	15,016,043	- 6.23
3. Roosevelt	32	120,818,218	- 2.21				
4. Dona Ana	19	76,612,918	- 2.29				
5. Lea	13	54,942,246	+ 5.33	Top County Total	140	596,678,458	- 1.15
6. Socorro	8	20,727,137	- 2.67	<u>Other Counties Total</u>	<u>7</u>	<u>25,070,008</u>	<u>- 18.97</u>
				New Mexico Total	147	621,748,466	- 2.02

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 SEPTEMBER 2013, WITH PRODUCTION PERCENTAGE COMPARISONS**

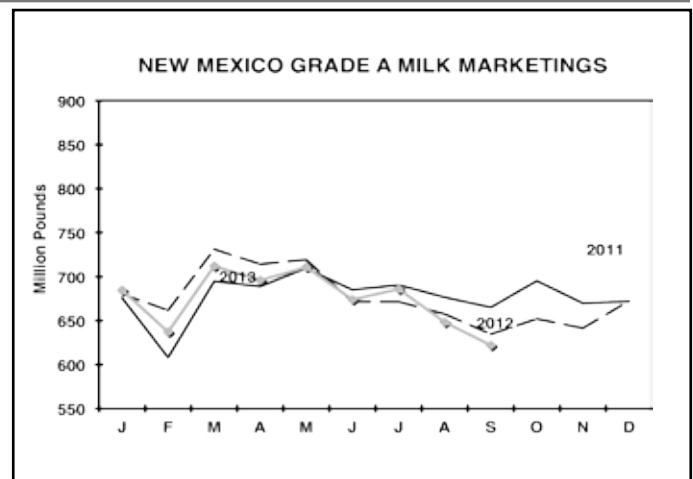
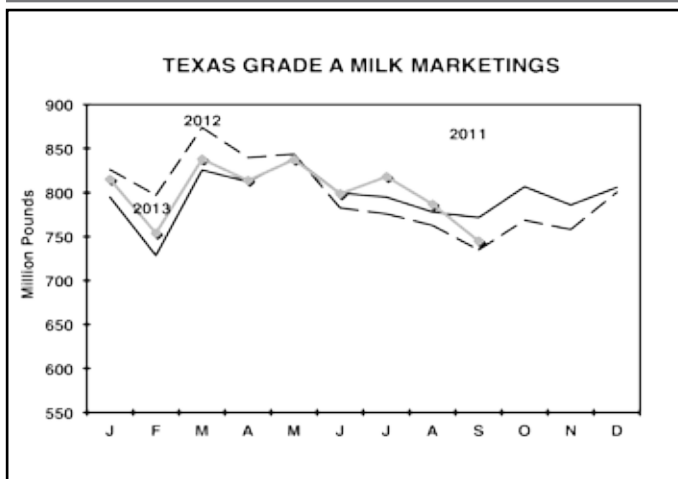
MONTH	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	PERCENT 2012/11	CHANGE 2013/12
January	794,574,299	555	826,060,689	525	815,186,323	468	+ 3.96	- 1.32
February	728,226,604	554	796,799,428	514	751,853,093	465	+ 5.62	- 2.27 *
March	831,714,685	552	873,809,464	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	798,423,916	456	- 2.13	+ 2.05
July	794,768,069	541	775,879,468	483	817,848,775	452	- 2.38	+ 5.41
August	779,356,886	540	762,801,472	481	786,930,152	448	- 2.12	+ 3.16
September	771,537,770	538	734,843,900	481	744,663,679	446	- 4.76	+ 1.34
October	811,052,943	536	768,680,316	473			- 5.26	
November	785,855,360	533	757,867,560	471			- 3.56	
December	805,829,180	531	800,171,636	470			- 0.70	
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 SEPTEMBER 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	674,240,675	149	- 2.71	+ 1.20
July	690,350,883	157	671,552,652	149	685,672,220	149	- 2.72	+ 2.10
August	676,720,593	158	657,573,314	149	648,098,565	148	- 2.83	- 1.44
September	666,022,373	159	634,558,129	148	621,748,466	147	- 4.72	- 2.02
October	695,365,627	157	652,048,912	149			- 6.23	
November	669,926,275	157	641,151,756	148			- 4.30	
December	671,984,702	158	672,437,705	148			+ 0.04	
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 <i>c/</i>			
	I <i>a/</i>	II	III	IV	P.P.D. <i>a/</i>		Other Solids	True Protein	SCC <i>b/</i> Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
July 2012	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 <i>d/</i>	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
June	21.93	19.14	18.02	18.88	1.69	165.99	38.59	334.55	.00089	154.22	178.10	168.78	57.38
July	21.91	19.22	17.38	18.90	2.02	156.93	39.27	322.57	.00086	146.74	171.42	172.72	58.04
August	21.88	19.27	17.91	19.07	1.83	151.04	39.01	347.75	.00089	141.78	177.31	177.06	57.78
September	22.16	19.78	18.14	19.43	1.83	151.96	39.14	354.19	.00090	142.63	179.61	180.85	57.91

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

**SEPTEMBER 2013
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add:	Class I Differential			\$425,190.04
	Class I Butterfat	60(a)	7,173,673	\$1.5720
	Class I Skim Per Cwt		349,082,395	\$17.2600
	Class II Butterfat	60(b)	7,259,345	\$1.5266
	Class II Nonfat Solids		7,534,501	\$1.6622
	Class III Butterfat	60(c)	19,500,755	\$1.5196
	Class III Protein		16,170,709	\$3.5419
	Class III Other Solids		29,700,985	\$0.3914
	Class IV Butterfat	60(d)	1,932,917	\$1.5196
	Class IV Nonfat Solids		2,142,375	\$1.6243
	Class II, III, & IV Somatic Cell Adjustment	60(e)		\$779,011.76
	Total Producer Milk- Product Pounds and Value		989,110,201	\$201,289,268.28
Add:	Value as for 60(f) thru 60(j)			\$9,251.29
Less:	Total Protein Pounds	61(b)	30,828,548	\$3.5419
	Total Other Solids Pounds		56,701,563	\$0.3914
	Total Butterfat Pounds		35,866,690	\$1.5196
	Total Value of Somatic Cell Adjustment			\$1,172,320.66
	Total Milk and Value		989,110,201	\$14,238,550.79
Add:	Location Differential Adjustments	61(c)		\$3,824,028.87
	Producer - Settlement Fund Reserve	61(d)		\$455,420.88
	Total Producer Milk/URSP and Value		989,110,201	\$18,518,000.54
Less:	Producer - Settlement Fund Reserve	61(f)		\$0.04218
	Producer Price Differential (Dallas County)			\$1.83
				\$18,100,716.68

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

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

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	356,256,068	36.02	7,173,673	20.00	349,082,395	36.62
Class II	89,436,321	9.04	7,259,345	20.24	82,176,976	8.62
Class III	518,104,676	52.38	19,500,755	54.37	498,603,921	52.31
Class IV	25,313,136	2.56	1,932,917	5.39	23,380,219	2.45
Total	989,110,201	100.00	35,866,690	100.00	953,243,511	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	35,866,690	30,828,548	56,701,563	87,530,111
Percentage	3.626%	3.116%	5.732%	8.849%

Average Somatic Cell Count	219,000
Total Number of Pooled Producers	479