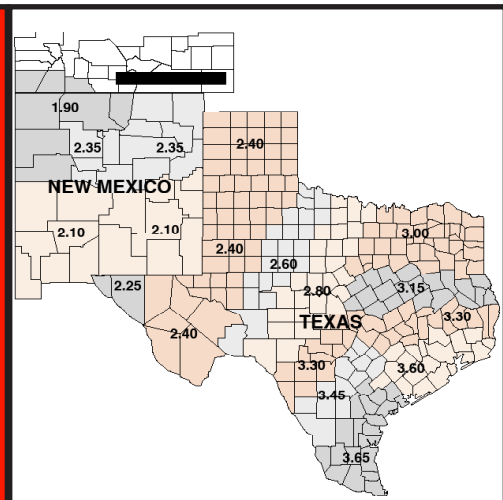


THE MARKET ADMINISTRATOR'S

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
 WWW: <http://www.dallasma.com>

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MARKET SUMMARY FOR MAY

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.86 for May. Butterfat price increased \$0.1514 per pound from \$2.1207 in April to the level of \$2.2721 in May. Protein price decreased \$0.7536 per pound from \$4.7089 in April to \$3.9553 in May. The Other Solids price decreased \$0.0029 per pound from \$0.4926 in April to \$0.4897 in May. The Somatic Cell Count adjustment rate factor for May was 0.00109 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 \$24.43 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 \$0.69 in comparison to the statistical uniform price of \$25.12 in April.

The May Class I price increased \$0.82 from \$26.65

in April to the May level of \$27.47. The Class II price decreased \$0.30 from \$24.74 per hundredweight in April to \$ 24.44 in May. The Class III price decreased \$1.74 from \$24.31 in April to \$22.57 in May. The Class IV price decreased \$0.69 from \$23.34 in April to \$22.65 in May.

In May 461 producers delivered a total of 1,250,196,685 pounds of milk. On a daily basis this represents an increase of 51.83 percent from the producer receipts level in April and it represents an increase of 14.75 percent when compared to the producer receipts level of May 2013.

Producer milk classified as Class I during May amounted to 29.06 percent of total producer receipts. This figure is down from 45.80 percent in April and is down from 34.07 percent in May 2013. The average butterfat test of producer milk pooled during May was 3.561 percent, average protein test was 3.115 percent, average other solids test was 5.775 percent and the average somatic cell count was 169,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May 14	Apr 14	May 14	Apr 14	May 14	Apr 14
Appalachian - FO 5	26.45	26.31	-----	-----	61.31	62.26
Arizona - FO 131	23.75	24.43	-----	-----	22.32	25.55
Central - FO 32	23.58	24.20	1.01	-0.11	27.44	32.79
Florida - FO 6	29.25	28.45	-----	-----	86.85	84.29
Mideast - FO 33	24.04	24.48	1.47	0.17	33.30	36.00
Northeast - FO 1	25.24	25.46	2.67	1.15	34.60	34.40
Pacific Northwest - FO 124	23.42	24.03	0.85	-0.28	21.77	29.10
Southeast - FO 7	26.83	26.73	-----	-----	64.10	65.90
Southwest - FO 126	24.43	25.12	1.86	0.81	29.06	45.80
Upper Midwest - FO 30	23.00	24.41	0.43	0.10	9.90	11.30

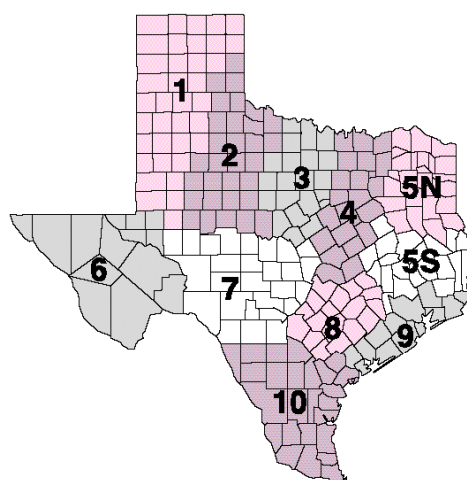
Texas Dairy Milk Components For Geographic Regions - May 2014							
Region	No. of Producers	% Milk Marketed	Percent Butterfat	% True Protein	% Other Solids	% SNF	SCC (1,000)
1	99	68.56	3.74	3.18	5.78	8.96	157
2	3	0.91	3.75	3.24	5.78	9.02	215
3	140	18.81	3.70	3.18	5.76	8.94	229
4	33	1.35	3.80	3.20	5.75	8.95	252
5N & 5S	147	9.01	3.74	3.23	5.71	8.94	281
6 & 7	6	0.91	3.51	3.11	5.74	8.87	253
8	11	0.31	3.90	3.18	5.71	8.89	322
9&10	4	0.14	4.08	3.37	5.67	9.04	423
Total/Avg	443	100.00	3.73	3.18	5.77	8.96	185

Texas Geographic Regions

- 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 Milking Herd Size For Geographic Regions* - May 2014							
Number of Farms Per Herd Size Group (Milking Cow Numbers)							
Region	0-100	101-250	251-500	501-750	751-1000	1001 & Greater	Total # Cows
1	1	3	0	5	3	87	291,832
2	0	0	1	0	0	2	3,892
3	34	27	35	11	10	23	80,064
4	17	8	5	1	2	0	5,740
5N & 5S	51	53	23	8	6	6	38,352
6 & 7	1	1	1	1	0	2	3,884
8	7	3	1	0	0	0	1,331
9&10	1	2	1	0	0	0	574
Total/Avg	112	97	67	26	21	120	425,669

* Estimated Based on a 70 Lb/Day Cow Average



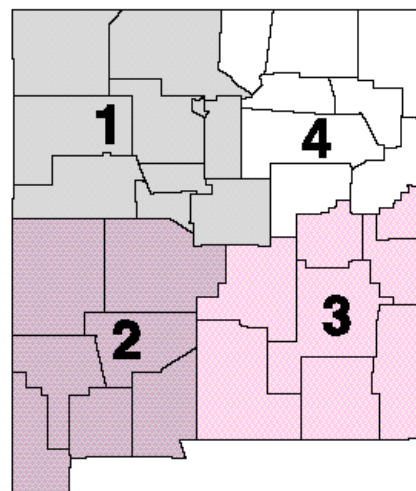
New Mexico Dairy Milk Components For Geographic Regions - May 2014							
Region	No. of Producers	% Milk Marketed	Percent Butterfat	% True Protein	% Other Solids	% SNF	SCC (1,000)
1	9	3.78	3.54	3.09	5.76	8.85	174
2	31	18.85	3.39	3.06	5.78	8.84	130
3	106	77.38	3.46	3.07	5.78	8.85	155
4	0	-	-	-	-	-	0
Total/Avg	146	100.00	3.45	3.07	5.78	8.85	150

New Mexico Geographic Regions

- 1 Northwest
- 2 Southwest
- 3 Southeast
- 4 Northeast

New Mexico Dairy Milking Herd Size For Geographic Regions* - May 2014							
Number of Farms Per Herd Size Group (Milking Cow Numbers)							
Region	0-100	101-250	251-500	501-750	751-1000	1001 & Greater	Total # Cows
1	3	0	2	1	2	1	11,713
2	0	2	3	12	11	3	58,455
3	1	4	10	29	36	26	239,996
4	0	0	0	0	0	0	0
Total/Avg	4	6	15	42	49	30	310,164

* Estimated Based on a 75 Lb/Day Cow Average



TOP TEN TEXAS COUNTIES a/ – MAY 2014

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2013</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2013</u>
1. Castro	13	102,956,793	+ 8.44	7. Hartley	11	61,721,630	+ 10.49
2. Parmer	16	96,082,913	+ 28.22	8. Hale	6	49,105,583	+ 21.83
3. Erath	60	89,775,111	- 0.29	9. Bailey	10	47,416,075	+ 11.28
4. Deaf Smith	11	74,630,878	+ 10.60	10. Comanche	17	45,174,671	+ 8.08
5. Moore	9	69,189,540	+ 29.89	Ten County Total	163	699,402,590	+ 12.41
6. Lamb	10	63,349,396	+ 3.90	<u>Other Counties Total</u>	<u>280</u>	<u>224,304,053</u>	<u>+4.29</u>
				Texas Total	443	923,706,643	+ 10.32

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>
March 2013	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
October	3.89	3.59	3.30	3.20	5.74	5.75	9.04	8.95	215	182
November	3.95	3.66	3.36	3.24	5.76	5.77	9.12	9.01	223	192
December	4.00	3.71	3.36	3.24	5.76	5.77	9.12	9.01	235	205
Averages 2013	3.83	3.56	3.23	3.11	5.76	5.78	8.99	8.88	216	176
January 2014	3.94	3.63	3.31	3.19	5.75	5.77	9.06	8.96	202	167
February	3.91	3.58	3.29	3.15	5.74	5.76	9.03	8.91	192	156
March	3.86	3.55	3.25	3.11	5.76	5.78	9.01	8.89	196	162
April	3.79	3.50	3.21	3.08	5.80	5.82	9.01	8.90	192	160
May	3.73	3.45	3.19	3.07	5.77	5.78	8.96	8.85	186	151

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – MAY 2014

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2013</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2013</u>
1. Chaves	32	178,303,070	- 0.11	7. Luna	3	18,525,668	+ 1.05
2. Curry	26	153,328,044	+ 1.94	8. Valencia	5	17,572,714	- 2.69
3. Roosevelt	33	151,105,630	+ 13.49				
4. Dona Ana	19	86,814,923	- 8.39				
5. Lea	13	62,821,989	+ 9.42	Top County Total	139	692,469,255	+ 2.75
6. Socorro	8	23,997,217	+ 2.86	<u>Other Counties Total</u>	<u>7</u>	<u>28,661,852</u>	<u>- 22.02</u>
				New Mexico Total	146	721,131,107	+ 1.47

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 2012 THROUGH MAY 2014, WITH PRODUCTION PERCENTAGE COMPARISONS**

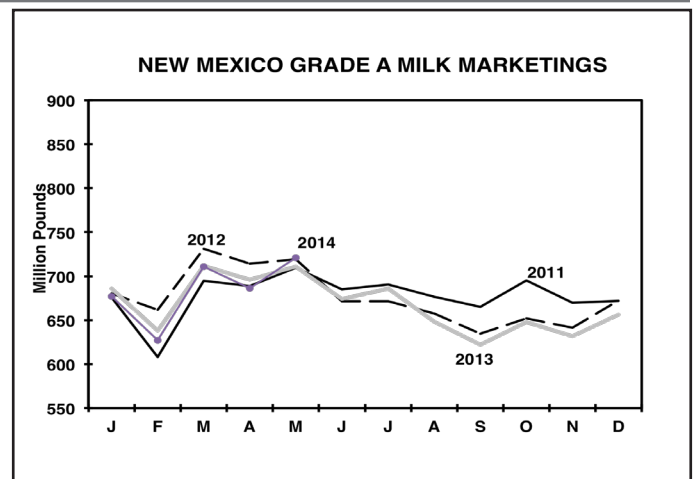
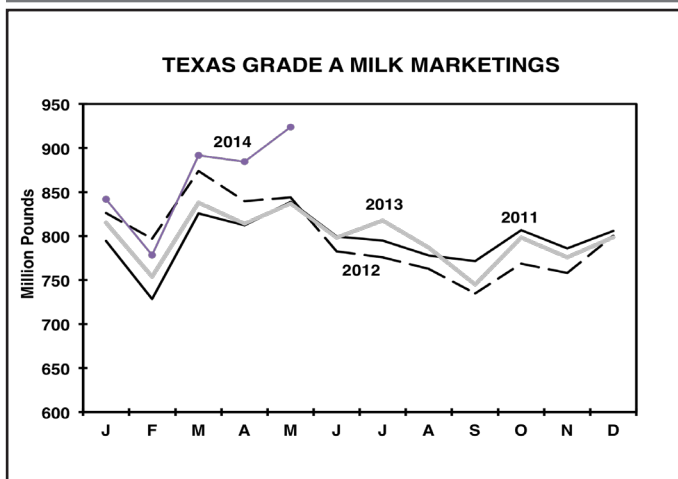
MONTH	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	2014 POUNDS	Number of Producers	PERCENT 2013/12	CHANGE 2014/13
January	826,060,689	525	815,186,323	468	841,887,929	440	- 1.32	+ 3.28
February	796,799,428	514	751,853,093	465	778,398,943	443	- 2.27 *	+ 3.53 *
March	873,809,464	515	837,918,903	461	891,680,232	444	- 4.11	+ 6.42
April	839,675,231	504	813,654,074	456	884,645,957	442	- 3.10	+ 8.73
May	843,983,197	495	837,276,897	457	923,706,643	443	- 0.79	+ 10.32
June	782,384,320	491	798,423,916	456			+ 2.05	
July	775,879,468	483	817,848,775	452			+ 5.41	
August	762,801,472	481	786,930,152	448			+ 3.16	
September	734,843,900	481	744,663,679	446			+ 1.34	
October	768,680,316	473	797,966,297	445			+ 3.81	
November	757,867,560	471	775,927,149	444			+ 2.38	
December	<u>800,171,636</u>	470	<u>798,498,206</u>	441			<u>- 0.21</u>	
Years Total	9,562,956,681		9,576,147,464				+ 0.14	

* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2012 THROUGH MAY 2014, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	2014 POUNDS	Number of Producers	PERCENT 2013/12	CHANGE 2014/13
January	680,195,569	157	685,707,875 ^u	148	677,107,907	147	+ 0.81 ^u	- 1.25
February	661,854,191	156	637,945,230 ^u	148	627,152,702 ^u	147 ^u	- 0.17 ^{*u}	- 1.69 ^{*u}
March	730,980,867	156	711,813,501 ^u	149	711,010,066	146	- 2.62 ^u	- 0.11
April	713,977,651	158	695,977,148	150	686,163,267	145	- 2.52	- 1.41
May	719,067,055	153	710,709,847	150	721,131,107	146	- 1.16	+ 1.47
June	666,236,294	152	674,240,675	149			+ 1.20	
July	671,552,652	149	685,672,220	149			+ 2.10	
August	657,573,314	149	648,098,565	148			- 1.44	
September	634,558,129	148	621,748,466	147			- 2.02	
October	652,048,912	149	647,611,433	147			- 0.68	
November	641,151,756	148	631,922,577	147			- 1.44	
December	<u>672,437,705</u>	148	<u>656,050,459</u>	148			<u>- 2.44</u>	
Years Total	8,101,634,095		8,007,497,996				- 1.16	

* Based on average daily deliveries. ^u Revised



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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 2013	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
October	22.20	20.56	18.22	20.17	1.78	166.38	38.52	341.07	.00090	154.54	180.25	183.66	57.31
November	23.20	20.76	18.83	20.52	1.67	163.36	39.55	363.16	.00093	152.05	186.12	188.92	58.31
December	23.37	21.66	18.95	21.54	1.83	176.72	38.26	353.90	.00094	163.08	187.61	195.37	57.06
Averages 2013 ^{d/}	21.84	19.42	17.99	19.05	1.64	166.34	40.29	330.10	.00088	154.50	176.83	170.66	59.02
January 2014	24.48	22.21	21.15	22.29	1.25	178.74	41.55	418.70	.00104	164.75	208.38	203.35	60.25
February	25.02	23.73	23.35	23.46	0.67	201.09	44.53	460.44	.00114	183.20	228.64	207.83	63.14
March	26.64	24.22	23.33	23.66	1.19	204.02	47.00	451.72	.00113	185.62	226.89	208.97	65.54
April	26.65	24.74	24.31	23.34	0.81	212.07	49.26	470.89	.00118	192.27	235.47	201.91	67.74
May	27.47	24.44	22.57	22.65	1.86	227.21	48.97	395.53	.00109	204.77	217.03	187.68	67.45

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 2014
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add:	Class I Differential			\$455,551.19
	Class I Butterfat	60(a)	7,445,472	\$2.2090
	Class I Skim Per Cwt		355,918,770	\$20.4500
	Class II Butterfat	60(b)	7,358,284	\$2.2791
	Class II Nonfat Solids		5,045,922	\$1.8956
	Class III Butterfat	60(c)	24,966,313	\$2.2721
	Class III Protein		21,123,466	\$3.9553
	Class III Other Solids		39,185,481	\$0.4897
	Class IV Butterfat	60(d)	4,756,363	\$2.2721
	Class IV Nonfat Solids		12,943,402	\$1.6919
	Class II, III, & IV Somatic Cell Adjustment	60(e)		\$1,817,984.17
	Total Producer Milk- Product Pounds and Value		1,250,196,685	\$310,011,895.53
Add:	Value as for 60(f) thru 60(j)			\$77,599.92
Less:	Total Protein Pounds	61(b)	38,944,416	\$3.9553
	Total Other Solids Pounds		72,210,731	\$0.4897
	Total Butterfat Pounds		44,526,432	\$2.2721
	Total Value of Somatic Cell Adjustment			\$2,463,540.52
	Total Milk and Value		1,250,196,685	\$17,059,005.14
Add:	Location Differential Adjustments	61(c)		\$6,373,454.87
	Producer - Settlement Fund Reserve	61(d)		\$412,250.12
	Total Producer Milk/URSP and Value		1,250,196,685	\$1.90727
Less:	Producer - Settlement Fund Reserve	61(f)		\$0.04727
	Producer Price Differential (Dallas County)			\$1.86
				\$23,253,658.34

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

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**MAY 2014
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	363,364,242	29.06	7,445,472	16.72	355,918,770	29.52
Class II	62,141,944	4.97	7,358,284	16.53	54,783,660	4.54
Class III	678,685,831	54.29	24,966,313	56.07	653,719,518	54.22
Class IV	146,004,668	11.68	4,756,363	10.68	141,248,305	11.72
Total	1,250,196,685	100.00	44,526,432	100.00	1,205,670,253	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	44,526,432	38,944,416	72,210,731	111,155,147
Percentage	3.561%	3.115%	5.775%	8.891%

Average Somatic Cell Count	169,000
Total Number of Pooled Producers	461