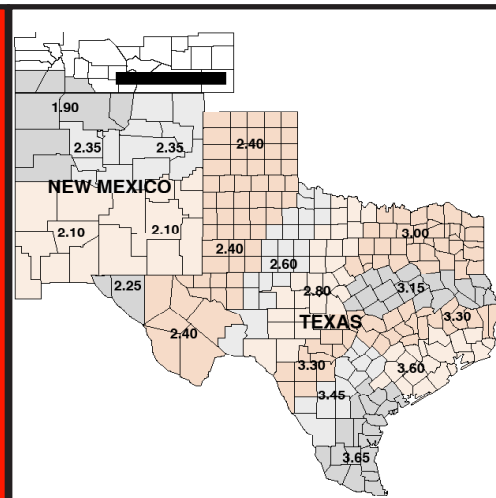


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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VOLUME 40, NO. 3

MARCH 2014

MARKET SUMMARY FOR FEBRUARY

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$0.67 for February. Butterfat price increased \$0.2235 per pound from \$1.7874 in January to the level of \$2.0109 in February. Protein price increased \$0.4174 per pound from \$4.1870 in January to \$4.6044 in February. February's Other Solids price increased \$0.0298 per pound from \$0.4155 in January to \$0.4453 in February. The Somatic Cell Count adjustment rate factor for December was 0.00114 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 \$24.02 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 \$1.62 in comparison to the statistical uniform price of \$22.40 in January.

The February Class I price increased \$0.54 from \$24.48 in January to the February level of \$25.02. The Class II price for February of \$23.73 per hundredweight increased \$1.52 from \$22.21 in January. February's Class III price increased \$2.20 from \$21.15 in January to \$23.35 in February. The February Class IV price increased \$1.17 from \$22.29 in January to \$23.46 in February.

In February 440 producers delivered a total of 640,117,984 pounds of milk. On a daily basis this represents a decrease of 34.30 percent from the producer receipts level in January and it represents a decrease of 43.27 percent when compared to the producer receipts level of February 2013.

Producer milk classified as Class I during February amounted to 54.90 percent of total producer receipts. This figure is up from 36.18 percent in January and is up from 29.80 percent in February 2013. The average butterfat test of producer milk pooled during February was 3.716 percent, average protein test was 3.196 percent, average other solids test was 5.754 percent and the average somatic cell count was 181,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Feb 14	Jan 14	Feb 14	Jan 14	Feb 14	Jan 14
Appalachian - FO 5	25.38	24.28	-----	-----	69.51	72.88
Arizona - FO 131	23.84	21.73	-----	-----	25.89	28.96
Central - FO 32	23.21	21.55	-0.14	0.40	34.73	32.80
Florida - FO 6	27.24	26.18	-----	-----	84.40	84.99
Mideast - FO 33	23.37	21.90	0.02	0.75	38.70	42.80
Northeast - FO 1	24.42	22.93	1.07	1.78	37.00	37.30
Pacific Northwest - FO 124	23.22	21.73	-0.13	0.58	36.52	25.12
Southeast - FO 7	25.81	24.77	-----	-----	73.76	78.12
Southwest - FO 126	24.02	22.40	0.67	1.25	54.90	36.18
Upper Midwest - FO 30	23.42	21.35	0.07	0.20	12.60	11.40

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, ANNUAL 2013

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for 2013 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During 2013, more than 132.1 billion pounds of milk were received from producers. This total annual volume of milk is 7.9 percent higher than the 2012 total annual volume. There were volumes of milk not pooled due to intraorder disadvantageous price relationships in both years. More than 42.7 billion pounds of producer milk were used in Class I products, 1.7 percent lower than the previous year. The all-market average Class utilization percentages were: Class I = 32%, Class II = 12%, Class III = 47% and Class IV = 9%. The 2013 weighted average statistical uniform price was \$19.44 per cwt., \$1.39 per cwt. higher than the 2012 weighted average statistical uniform price.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE YEAR 2013												
Federal Milk Marketing Area ^{1/}	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk			Utilization of Producer Milk In			Uniform Price 2/ \$ Per CWT.
		Total	Change From Previous Year	Total	Change From Previous	Total	Percent	Class II	Class III	Class IV		
		Mil. LBS.	Percent	Mil. LBS.	Percent	Percent	Percent	Percent	Percent	Percent		
Northeast (Boston)	1	25,419.90	2.9	9,507.90	-3	37	26	25	12	20.23		
Appalachian (Charlotte)	5	5,728.60	-2.3	3,844.80	-3.5	67	15	8	10	21.34		
Florida (Tampa)	6	2,833.30	-2	2,423.60	-0.6	86	8	3	3	23.53		
Southeast (Atlanta)	7	6,129.30	-9.8	4,163.00	-7.1	68	12	13	7	21.74		
Upper Midwest (Chicago)	030 3/	34,315.10	11.8	3,685.90	-3.5	11	2	86	1	18.29		
Central (Kansas City)	032 3/	15,199.10	13.5	4,867.00	-0.2	32	10	46	12	18.82		
Mideast (Cleveland)	033 3/	16,719.10	-0.5	6,448.40	3.7	39	14	34	13	19.17		
Pacific Northwest (Seattle)	124 3/	8,239.30	22.6	2,120.40	-3.1	26	6	45	23	18.83		
Southwest (Dallas)	126 3/	12,901.00	29.1	4,323.70	1	33	8	54	5	19.59		
Arizona (Phoenix)	131 3/	4,615.40	1.3	1,357.10	-3.1	29	9	27	35	19.41		
All Market Average or Total	3/	132,100.20	7.9	42,741.80	-1.7	32	12	47	9	19.44		

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/ 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 5.516 billion pounds of milk that normally would have been associated with these markets. In 2012, the estimated not pooled volume of milk was 13.333 billion pounds, occurring in order numbers 030, 032, 033, 124, 126, and 131. After adjusting for non pooled milk, the year-to-year percent change is -1.4%.

SOURCE: "Dairy Market New", February 24-28, 2014, Volume 81, Report 09.

TOP TEN TEXAS COUNTIES a/ – FEBRUARY 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	90,373,279	+ 9.59	7. Moore	9	51,625,040	+ 16.33
2. Erath	60	79,276,563	- 7.00	8. Hale	6	41,913,281	+ 17.92
3. Parmer	14	75,905,327	+ 9.58	9. Comanche	18	40,589,054	+ 1.54
4. Deaf Smith	11	61,994,052	+ 2.49	10. Bailey	10	39,851,416	+ 4.96
5. Lamb	10	54,158,814	+ 10.87	Ten County Total	162	588,333,436	+ 6.26
6. Hartley	11	52,646,610	+ 6.40	<u>Other Counties Total</u>	<u>280</u>	<u>190,065,507</u>	<u>- 4.10</u>
				Texas Total	443	778,398,943	+ 3.53

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>
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
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 2014	3.91	3.58	3.29	3.15	5.74	5.76	9.03	8.91	192	156

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – FEBRUARY 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	157,239,933	- 4.55	7. Luna	3	16,137,635	+ 2.63
2. Curry	26	134,484,161	+ 2.67	8. Valencia	4	14,667,082	- 4.93
3. Roosevelt	34	124,315,194	+ 4.57				
4. Dona Ana	19	79,441,136	- 7.76				
5. Lea	13	54,762,012	+ 3.06	Top County Total	139	601,536,970	- 0.67
6. Socorro	8	20,489,817	- 0.36	<u>Other Counties Total</u>	<u>6</u>	<u>24,340,877</u>	<u>- 24.76</u>
				New Mexico Total	145	625,877,847	- 1.89

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 FEBRUARY 2014, WITH PRODUCTION PERCENTAGE COMPARISONS**

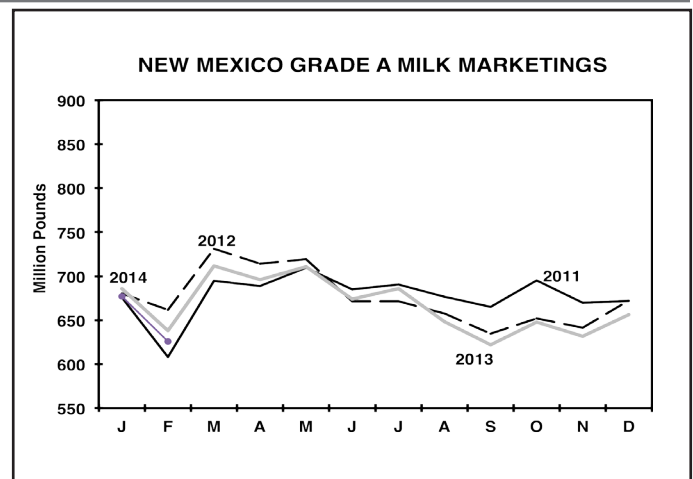
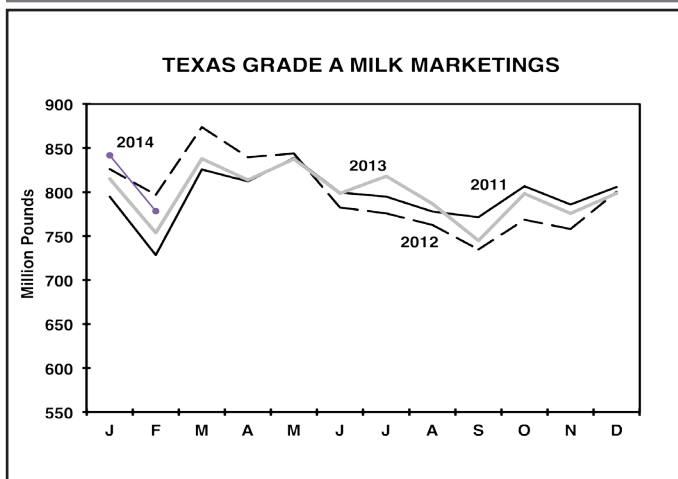
MONTH	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	2014 POUNDS	Number of Producers	PERCENT 2013/12	CHANGE 2014/13
January	826,060,689	525	815,186,323	468	841,887,929	440	- 1.32	+ 3.28
February	796,799,428	514	751,853,093	465	778,398,943	443	- 2.27 *	+ 3.53
March	873,809,464	515	837,918,903	461			- 4.11	
April	839,675,231	504	813,654,074	456			- 3.10	
May	843,983,197	495	837,276,897	457			- 0.79	
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	800,171,636	470	798,498,206	441			- 0.21	
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 FEBRUARY 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	<u>1</u> 685,707,875	148	677,107,907	147	+ 0.81 <u>1</u>	- 1.25
February	661,854,191	156	<u>1</u> 637,945,230	148	625,877,847	145	- 0.17 * <u>1</u>	- 1.89
March	730,980,867	156	<u>1</u> 711,813,501	149			- 2.62 <u>1</u>	
April	713,977,651	158	695,977,148	150			- 2.52	
May	719,067,055	153	710,709,847	150			- 1.16	
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			- 2.44	
Years Total	8,101,634,095		8,007,497,996				- 1.16	

* Based on average daily deliveries. 1 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-----						
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
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 2014	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

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

**FEBRUARY 2014
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add:	Class I Differential			\$433,034.46
	Class I Butterfat	60(a)	7,032,688	\$1.7525
	Class I Skim Per Cwt		344,398,770	\$19.5700
	Class II Butterfat	60(b)	7,417,116	\$2.0179
	Class II Nonfat Solids		7,794,867	\$1.9189
	Class III Butterfat	60(c)	4,038,249	\$2.0109
	Class III Protein		2,489,763	\$4.6044
	Class III Other Solids		4,447,047	\$0.4453
	Class IV Butterfat	60(d)	5,304,265	\$2.0109
	Class IV Nonfat Solids		10,524,324	\$1.8914
	Class II, III, & IV Somatic Cell Adjustment	60(e)		\$568,712.30
	Total Producer Milk- Product Pounds and Value		640,117,984	\$162,786,643.09
Add:	Value as for 60(f) thru 60(j)			79,665.51
Less:	Total Protein Pounds	61(b)	20,462,119	\$4.6044
	Total Other Solids Pounds		36,836,736	\$0.4453
	Total Butterfat Pounds		23,792,318	\$2.0109
	Total Value of Somatic Cell Adjustment			\$1,236,787.41
	Total Milk and Value		640,117,984	\$3,166,369.64
Add:	Location Differential Adjustments	61(c)		\$972,298.01
	Producer - Settlement Fund Reserve	61(d)		\$458,258.32
	Total Producer Milk/URSP and Value		640,117,984	\$0.71813
Less:	Producer - Settlement Fund Reserve	61(f)		\$0.04813
	Producer Price Differential (Dallas County)			\$0.67
				\$4,288,790.49

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

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	351,431,458	54.90	7,032,688	29.56	344,398,770	55.88
Class II	91,297,587	14.26	7,417,116	31.17	83,880,471	13.61
Class III	78,375,808	12.25	4,038,249	16.98	74,337,559	12.06
Class IV	119,013,131	18.59	5,304,265	22.29	113,708,866	18.45
Total	640,117,984	100.00	23,792,318	100.00	616,325,666	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	23,792,318	20,462,119	36,836,736	57,298,855
Percentage	3.716%	3.196%	5.754%	8.951%

Average Somatic Cell Count	181,000
Total Number of Pooled Producers	440