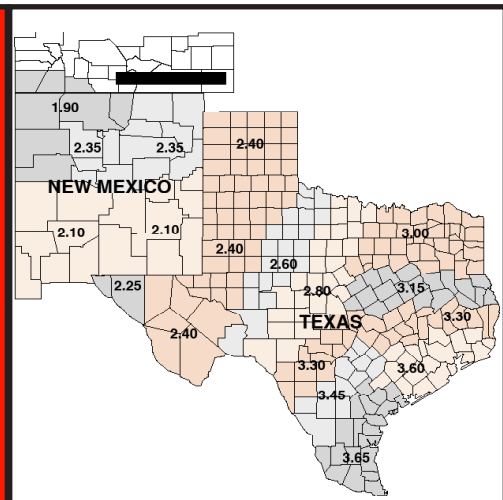


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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VOLUME 40, NO. 10

\*\*Corrected\*\*

NOVEMBER 2014

### MARKET SUMMARY FOR OCTOBER

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$0.68 for October. Butterfat price decreased \$0.3960 per pound from \$3.2467 in September to the level of \$2.8507 in October. Protein price increased \$0.2371 per pound from \$3.4991 in September to \$3.7362 in October. The Other Solids price decreased \$0.0206 per pound from \$0.4876 in September to \$0.4670 in October. The Somatic Cell Count adjustment rate factor for October was 0.00115 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an October statistical uniform price of \$24.50 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 \$1.30 in comparison to the statistical uniform price of \$25.80 in September.

The October Class I price increased \$0.56 from \$26.63 in September to the October level of \$27.19. The Class II price decreased \$4.18 from \$26.11 per hundredweight in September to \$21.93 in October. The Class III price decreased \$0.78 from \$24.60 in September to \$23.82 in October. The Class IV price decreased \$1.23 from \$22.58 in September to \$21.35 in October.

In October 548 producers delivered a total of 744,413,113 pounds of milk. On a daily basis this represents a decrease of 36.47 percent from the producer receipts level in September and it represents an decrease of 29.21 percent when compared to the producer receipts level of October 2013.

Producer milk classified as Class I during October amounted to 53.10 percent of total producer receipts. This figure is up from 32.60 percent in September and is up from 37.04 percent in October 2013. The average butterfat test of producer milk pooled during October was 3.776 percent, average protein test was 3.214 percent, average other solids test was 5.732 percent and the average somatic cell count was 234,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Oct 14	Sep14	Oct 14	Sep 14	Oct 14	Sep 14
Appalachian - FO 5	25.97	27.23	-----	-----	73.50	73.19
Arizona - FO 131	23.45	24.91	-----	-----	30.87	31.64
Central - FO 32	23.46	24.83	-0.36	0.23	38.48	32.79
Florida - FO 6	28.10	29.29	-----	-----	85.46	86.85
Mideast - FO 33	23.31	25.07	0.51	0.47	38.70	35.90
Northeast - FO 1	24.35	26.16	0.53	1.56	37.90	36.70
Pacific Northwest - FO 124	22.83	24.30	-0.99	-0.30	35.79	23.88
Southeast - FO 7	26.73	27.86	-----	-----	81.01	82.12
<b>Southwest - FO 126</b>	<b>24.50</b>	<b>25.80</b>	<b>0.68</b>	<b>1.20</b>	<b>53.10</b>	<b>32.60</b>
Upper Midwest - FO 30	23.71	24.76	-0.11	0.16	13.70	10.80

**RELEASE DATES FOR FEDERAL MILK ORDER PRICE DATA**

Listed below are the release dates for price announcements used in the Federal milk order program applicable to January 2015 through December 2016. The advanced prices and pricing factors will be released at 3:00 p.m. ET no later than the 23rd of the preceding month. If the release date does not fall on the 23rd, the most current release preceding the 23rd will be used in the price calculation. Likewise, the class and component prices will be released at 3:00 p.m. ET no later than the 5th of the following month. If the release date does not fall on the 5th, the most current release preceding the 5th will be used in the price calculation.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of AMS Prices <sup>1/</sup>	Release Date	Time Period of AMS Prices <sup>1/</sup>
<b>2015</b>				
January	December 17, 2014	12/6, 13	February 04	1/3, 10, 17, 24, 31
February	January 22	1/10, 17	March 04	2/7, 14, 21, 28
March	February 19	2/7, 14	April 01	3/7, 14, 21, 28
April	March 18	3/7, 14	April 29	4/4, 11, 18, 25
May	April 22	4/11, 18	June 03	5/2, 9, 16, 23, 30
June	May 20	5/9, 16	July 01	6/6, 13, 20, 27
July	June 17	6/6, 13	August 05	7/4, 11, 18, 25, 8/1
August	July 22	7/11, 18	September 02	8/8, 15, 22, 29
September	August 19	8/8, 15	September 30	9/5, 12, 19, 26
October	September 23	9/12, 19	November 04	10/3, 10, 17, 24, 31
November	October 21	10/10, 17	December 02	11/7, 14, 21, 28
December	November 18	11/7, 14	December 30	12/5, 12, 19, 26
<b>2016</b>				
January	December 23, 2015	12/12, 19	February 03	1/2, 9, 16, 23, 30
February	January 21	1/9, 16	March 02	2/6, 13, 20, 27
March	February 18	2/6, 13	March 30	3/5, 12, 19, 26
April	March 23	3/12, 19	May 04	4/2, 9, 16, 23, 30
May	April 20	4/9, 16	June 02	5/7, 14, 21, 28
June	May 18	5/7, 14	June 29	6/4, 11, 18, 25
July	June 22	6/11, 18	August 03	7/2, 9, 16, 23, 30
August	July 20	7/9, 16	August 31	8/6, 13, 20, 27
September	August 17	8/6, 13	October 05	9/3, 10, 17, 24, 10/1
October	September 21	9/10, 17	November 02	10/8, 15, 22, 29
November	October 19	10/8, 15	November 30	11/5, 12, 19, 26
December	November 23	11/12, 19	January 5, 2017	12/3, 10, 17, 24, 31

<sup>1/</sup> Weekly sales periods end on the indicated date and include applicable averages. The National Dairy Products Sales report is normally released on Wednesday of the following week.

<http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>

**TOP TEN TEXAS COUNTIES a/ – OCTOBER 2014**

Rank	County	Number of Producers	Pounds 2014	Pounds 2013	Percent Change 2013/2014
1.	Castro	13	97,739,105	93,740,295	+ 4.27
2.	Moore	9	96,810,612	57,284,265	+ 69.00
3.	Parmer	15	94,399,978	81,310,226	+ 16.10
4.	Erath	58	80,891,368	79,751,875	+ 1.43
5.	Deaf Smith	11	70,668,797	65,778,779	+ 7.43
6.	Hartley	11	67,842,570	55,161,098	+ 22.99
7.	Lamb	10	62,278,756	57,947,565	+ 7.47
8.	Bailey	10	45,402,022	42,509,573	+ 6.80
9.	Hale	6	45,167,839	45,601,114	- 0.95
10.	Comanche	17	38,477,522	37,217,773	+ 3.38
Ten County Total		160	699,678,569	616,302,563	+ 13.53
Other Counties		277	190,975,287	181,663,734	+ 5.13
<b>Texas Total</b>		<b>437</b>	<b>890,653,856</b>	<b>797,966,297</b>	<b>+ 11.62</b> Corrected

a/ Includes all known Grade "A" milk produced on farms located in Texas.

**TOP NEW MEXICO COUNTIES a/ – OCTOBER 2014**

Rank	County	Number of Producers	Pounds 2014	Pounds 2013	Percent Change 2013/2014
1.	Curry	28	164,828,849	142,101,209	+ 15.99
2.	Chaves	32	153,202,906	162,751,589	- 5.87
3.	Roosevelt	32	128,333,008	125,878,836	+ 1.95
4.	Dona Ana	18	78,593,985	81,389,536	- 3.43
5.	Lea	13	56,688,951	57,411,733	- 1.26
6.	Socorro	8	22,199,795	21,094,839	+ 5.24
7.	Valencia	5	17,046,050	15,545,782	+ 9.65
8.	Luna	3	16,706,817	16,124,689	+ 3.61
Top County Total		139	637,600,361	622,298,213	+ 2.46
Other Counties		6	25,045,534	25,313,220	- 1.06
<b>New Mexico Total</b>		<b>145</b>	<b>662,645,895</b>	<b>647,611,433</b>	<b>+ 2.32</b>

a/ Includes all known Grade "A" milk produced on farms located in New Mexico.

**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
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
June	3.69	3.40	3.14	3.01	5.78	5.79	8.92	8.80	214	173
July	3.69	3.40	3.13	2.99	5.77	5.77	8.89	8.76	236	192
August	3.72	3.44	3.15	3.02	5.74	5.74	8.88	8.76	247	210
September	3.79	3.54	3.20	3.07	5.74	5.75	8.94	8.82	250	217
October	3.90	3.65	3.28	3.15	5.61	5.73	9.01	8.88	231	210

a/ In thousands.

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

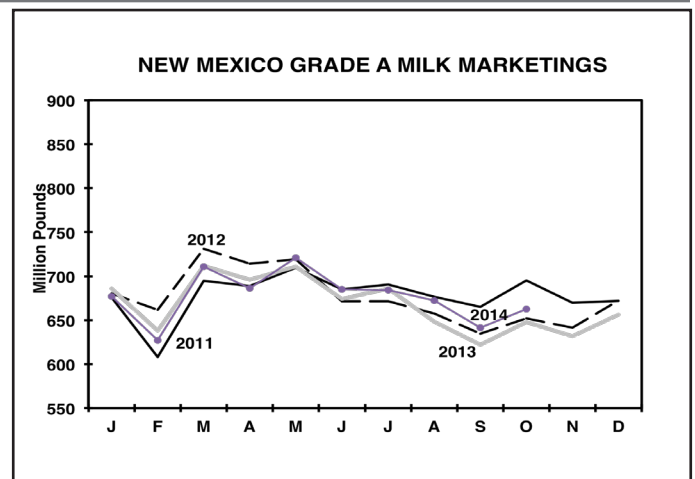
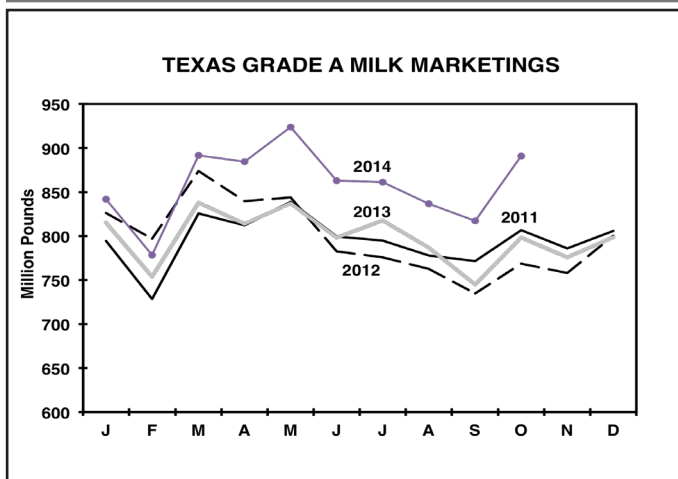
MONTH	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	2014 POUNDS	Number of Producers	PERCENT 2013/12	CHANGE 2014/13
January	826,060,689	525	815,186,323	468	841,887,929	440	- 1.32	+ 3.28
February	796,799,428	514	751,853,093	465	778,398,943	443	- 2.27 *	+ 3.53 *
March	873,809,464	515	837,918,903	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	862,889,592	442	+ 2.05	+ 8.07
July	775,879,468	483	817,848,775	452	861,256,938	439	+ 5.41	+ 5.31
August	762,801,472	481	786,930,152	448	836,712,405	439	+ 3.16	+ 6.33
September	734,843,900	481	744,663,679	446	817,209,349	437	+ 1.34	+ 9.74
October	768,680,316	473	797,966,297	445	890,653,856	437	+ 3.81	+ 11.62 <sup>1/</sup>
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. <sup>1/</sup> Correction

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2012 THROUGH OCTOBER 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 <sup>1/</sup>	148	677,107,907	147	+ 0.81 <sup>1/</sup>	- 1.25
February	661,854,191	156	637,945,230 <sup>1/</sup>	148	627,152,702 <sup>1/</sup>	147 <sup>1/</sup>	- 0.17 <sup>*1/</sup>	- 1.69 <sup>*1/</sup>
March	730,980,867	156	711,813,501 <sup>1/</sup>	149	711,010,066	146	- 2.62 <sup>1/</sup>	- 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	147	- 1.16	+ 1.47
June	666,236,294	152	674,240,675	149	685,138,590	147	+ 1.20	+ 1.62
July	671,552,652	149	685,672,220	149	684,168,540	144	+ 2.10	- 0.22
August	657,573,314	149	648,098,565	148	672,501,235	147	- 1.44	+ 3.77
September	634,558,129	148	621,748,466	147	641,424,320	148	- 2.02	+ 3.16
October	652,048,912	149	647,611,433	147	662,645,895	145	- 0.68	+ 2.32
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. <sup>1/</sup> 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 <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-----						
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 <sup>d/</sup>	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
June	25.86	23.94	21.36	23.13	1.91	244.13	49.42	334.37	.00102	218.74	203.58	186.33	67.89
July	26.02	24.41	21.60	23.78	1.95	263.49	50.46	317.98	.00102	234.73	204.82	186.17	68.90
August	26.87	25.34	22.25	23.89	2.04	284.48	50.36	314.96	.00105	252.06	210.74	178.87	68.80
September	26.63	26.11	24.60	22.58	1.20	324.67	48.76	349.91	.00117	285.25	234.72	147.18	67.25
October	27.19	21.93	23.82	21.35	0.68	285.07	46.70	373.62	.00115	252.55	229.14	149.00	65.25

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

**OCTOBER 2014  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$453,372.86
Class I Butterfat	60(a)	8,053,052	\$3.1710	\$25,536,227.91
Class I Skim Per Cwt		387,253,165	\$16.6700	\$64,555,102.59
Class II Butterfat	60(b)	8,682,655	\$2.8577	\$24,812,423.20
Class II Nonfat Solids		8,589,238	\$1.3733	\$11,795,600.59
Class III Butterfat	60(c)	7,630,050	\$2.8507	\$21,750,983.55
Class III Protein		5,493,201	\$3.7362	\$20,523,697.58
Class III Other Solids		9,509,875	\$0.4670	\$4,441,111.64
Class IV Butterfat	60(d)	3,747,681	\$2.8507	\$10,683,514.23
Class IV Nonfat Solids		7,136,676	\$1.3090	\$9,341,908.88
Class II, III, & IV Somatic Cell Adjustment	60(e)			\$492,722.45
Total Producer Milk- Product Pounds and Value		744,413,113		\$194,386,665.48
Add: Value as for 60(f) thru 60(j)				\$63,195.97-
Less: Total Protein Pounds	61(b)	23,925,408	<b>\$3.7362</b>	\$89,390,109.38
Total Other Solids Pounds		42,670,210	<b>\$0.4670</b>	\$19,926,988.11
Total Butterfat Pounds		28,113,438	<b>\$2.8507</b>	\$80,142,977.73
Total Value of Somatic Cell Adjustment				\$990,597.06
<b>Total Milk and Value</b>		744,413,113		\$3,872,797.23
Add: Location Differential Adjustments	61(c)			\$1,041,744.36
Producer - Settlement Fund Reserve	61(d)			\$500,948.18
<b>Total Producer Milk/URSP and Value</b>		744,413,113	\$0.72748	\$5,415,489.77
Less: Producer - Settlement Fund Reserve	61(f)		\$0.04748	\$353,480.60
<b>Producer Price Differential (Dallas County)</b>			<b>\$0.68</b>	<b>\$5,062,009.17</b>

**THE MARKET ADMINISTRATOR'S  
REPORT**

**SOUTHWEST MARKETING AREA**  
**CARY HUNTER, MARKET ADMINISTRATOR**  
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**OCTOBER 2014  
 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	395,306,217	53.10	8,053,052	28.64	387,253,165	54.06
Class II	101,520,069	13.64	8,682,655	30.88	92,837,414	12.96
Class III	166,573,818	22.38	7,630,050	27.15	158,943,768	22.19
Class IV	81,013,009	10.88	3,747,681	13.33	77,265,328	10.79
<b>Total</b>	<b>744,413,113</b>	<b>100.00</b>	<b>28,113,438</b>	<b>100.00</b>	<b>716,299,675</b>	<b>100.00</b>

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
<b>Total Pounds</b>	<b>28,113,438</b>	<b>23,925,408</b>	<b>42,670,210</b>	<b>66,595,618</b>
<b>Percentage</b>	<b>3.776%</b>	<b>3.214%</b>	<b>5.732%</b>	<b>8.946%</b>

<b>Average Somatic Cell Count</b>	<b>234,000</b>
<b>Total Number of Pooled Producers</b>	<b>548</b>