

# The Market Administrator's BULLETIN

## SOUTHWEST MARKETING AREA

Cary Hunter, Market Administrator

January 2023

Federal Order No. 126

### Market Overview

Producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a December statistical uniform price of \$22.15 for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is a decrease in comparison to the statistical uniform price of \$22.98 in November.

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.65 for December. The December Class I price decreased by \$1.43 from \$27.01 in November to the December level of \$25.58. The Class II price decreased by \$1.56 from \$24.67 in November to \$23.11 in December. The Class III price decreased \$0.51 from \$21.01 in November to \$20.50 in December. The Class IV price decreased \$1.18 from \$23.30 in November to \$22.12 in December.

In December, 391 producers delivered a total of 1,157,973,980 pounds of milk. On a daily basis, this represents an increase of 0.77 percent from the producer receipts level in November and an increase of 1.55 percent when compared to the producer receipts level of December 2021.

Producer milk classified as Class I during December amounted to 28.36 percent of total producer receipts. This figure is down from 29.54 percent in November and down from 30.48 percent in December 2021. The average butterfat test of producer milk pooled during December was 4.292 percent, average protein test was 3.464 percent, average other solids test was 5.782 percent, and the average somatic cell count was 212,000.

The December butterfat price decreased \$0.2181 from \$3.3720 in November to the December level of \$3.1539. The protein price increased \$0.1194 from \$2.5374 in November to \$2.6568 in December. The other solids price decreased \$0.0185 from \$0.2837 in November to \$0.2652 in December. The somatic cell adjustment rate in December was \$0.00103 per cwt.

### December 2022 Pool Summary

- ◆ The Statistical Uniform Price for the Southwest Order in December 2022 is \$22.15 with a PPD of \$1.65
- ◆ 1,158 million pounds were pooled in December. This is up 0.77 percent on a daily basis from November 2022
- ◆ 391 producers pooled their milk; this is up from 376 in November
- ◆ Class I milk accounted for 28.36 percent of all receipts, down from 29.54 in November

### Classification of Producer Milk

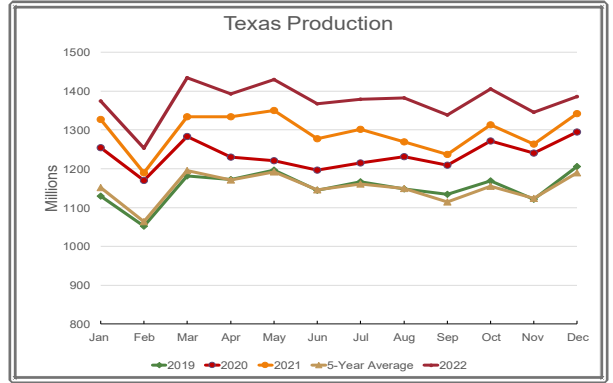
	<i>Price</i>	<i>Pounds</i>	<i>Percent</i>
Class I	25.58	328,346,633	28.36
Class II	23.11	55,336,460	4.78
Class III	20.5	735,227,255	63.49
Class IV	22.12	39,063,632	3.37

### Producer Prices

Statistical Uniform Price	\$22.15	/ cwt
Producer Price Differential	\$1.65	/ cwt
Butterfat Price	\$3.1539	/ lb
Protein Price	\$2.6568	/ lb
Other Solids Price	\$0.2652	/ lb
Nonfat Solids Price	\$1.2752	/ lb
Somatic Cell Adjustment Rate	\$0.00103	/ cwt

# Texas Dairy Production

In December, Texas dairy production totaled 1,386 million pounds. This is a 3.28 percent increase relative to December 2021 and a 16.5 percent increase from the December five year average (2017-2021). The December average butterfat for Texas production is 4.40 percent, the average protein is 3.50 percent, and the average other solids at 5.79 percent. The average somatic cell count is at 202,000.



Month	2022 Number of Producers	2022 Pounds (In Thousands)	2021 Pounds (In Thousands)	% Change from 2021/2022	2022 Butterfat	2022 Protein	2022 Other Solids	2022 SCC (In Thousands)
Jan	326	1,374,644	1,327,361	3.56	4.42	3.49	5.78	181
Feb	326	1,253,077	1,203,149	4.15	4.42	3.47	5.79	182
Mar	324	1,434,529	1,343,659	6.76	4.37	3.44	5.78	173
Apr	323	1,392,807	1,333,803	4.42	4.27	3.39	5.79	171
May	321	1,429,818	1,350,465	5.88	4.19	3.32	5.81	173
Jun	319	1,366,949	1,277,426	7.01	4.12	3.28	5.81	186
Jul	319	1,379,074	1,301,047	6.00	4.09	3.24	5.80	216
Aug	314	1,381,607	1,268,705	8.90	4.10	3.25	5.80	237
Sep	315	1,338,655	1,236,659	8.25	4.19	3.31	5.79	241
Oct	315	1,404,680	1,312,910	6.99	4.31	3.41	5.81	217
Nov	316	1,345,384	1,264,214	6.42	4.42	3.52	5.80	198
Dec	<u>312</u>	1,385,860	1,341,794	3.28	4.40	3.50	5.79	202
<b>Total</b>	<b>319</b>	<b>16,487,084</b>	<b>15,561,192</b>	<b>5.95</b>	<b>4.27</b>	<b>3.38</b>	<b>5.79</b>	<b>198</b>

1/ Revised

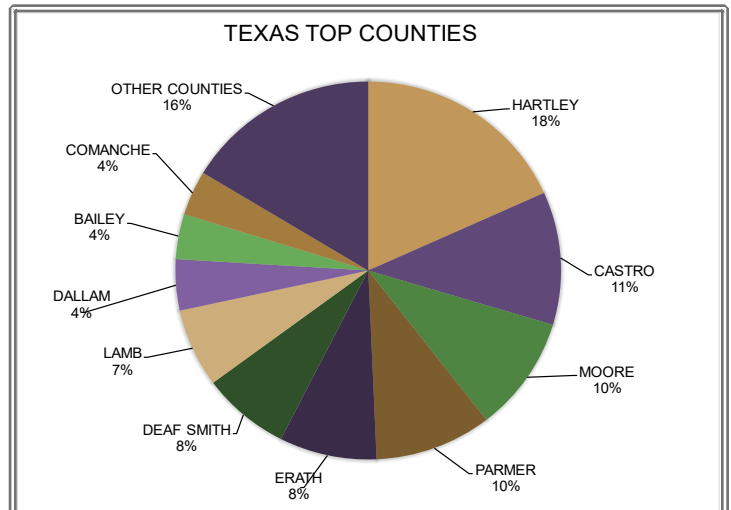
2/ Simple Average of Total

## Top Texas Counties

Hartley County has the largest share of Texas production at 18 percent, followed by Castro and Moore Counties at 11 and 10 percent, respectively. Overall, 312 producers delivered milk in Texas for the month of December.

County	Number of Producers	December 2022 Pounds	% Change 2021/2022
HARTLEY	19	253,124,003	5.68
CASTRO	15	157,677,980	10.87
MOORE	10	136,654,362	13.35
PARMER	16	135,897,600	4.59
ERATH	43	113,291,454	(3.95)
DEAF SMITH	14	102,463,382	(0.96)
LAMB	13	93,088,182	1.74
DALLAM	5	60,574,191	8.94
BAILEY	10	53,344,259	12.61
COMANCHE	14	53,030,485	(0.56)
SUM	<u>159</u>	<u>1,159,145,898</u>	<u>5.24</u>
OTHER COUNTIES	153	226,714,088	(5.68)
TEXAS TOTAL	312	1,385,859,986	3.28

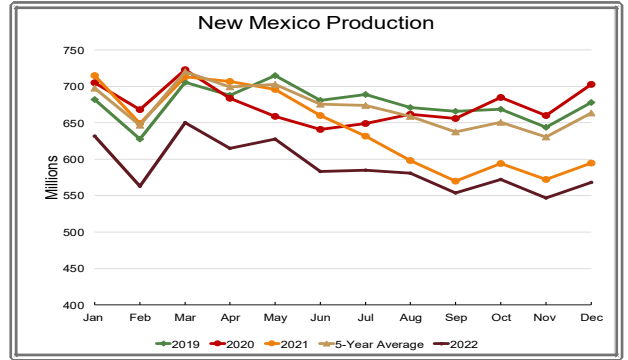
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Click [HERE](#) for more information on Texas Milk Production

# New Mexico Dairy Production

In December, New Mexico dairy production totaled 568 million pounds. This is a 4.61 percent decrease relative to December 2021 and a 14.4 percent decrease from the December five year average (2017-2021). The December average butterfat is 4.10 percent, the average protein is 3.39 percent, and the average other solids at 5.77 percent. The average somatic cell count is at 217,000.



Month	2022 Number of Producers	2022 Pounds (In Thousands)	2021 Pounds (In Thousands)	% Change from 2021/2022	2022 Butterfat	2022 Protein	2022 Other Solids	2022 SCC (In Thousands)
Jan	109	632,112	714,908	(11.58)	4.03	3.33	5.79	171
Feb	109	563,156	649,004	(13.23)	4.02	3.31	5.79	175
Mar	109	650,082	712,738	(8.79)	3.94	3.28	5.78	161
Apr	110	614,872	706,687	(12.99)	3.85	3.23	5.78	156
May	107	628,012	696,133	(9.79)	3.78	3.17	5.80	153
Jun	105	583,485	660,067	(11.60)	3.74	3.12	5.81	165
Jul	106	584,911	632,273	(7.49)	3.73	3.07	5.78	203
Aug	106	581,278	597,982	(2.79)	3.73	3.11	5.77	242
Sep	110	553,579	570,133	(2.90)	3.82	3.18	5.76	250
Oct	105	571,628	594,320	(3.82)	3.96	3.29	5.79	243
Nov	103	546,924	571,659	(4.33)	4.10	3.41	5.78	207
Dec	<u>103</u>	<u>567,701</u>	<u>595,152</u>	<u>(4.61)</u>	<u>4.10</u>	<u>3.39</u>	<u>5.77</u>	<u>217</u>
Total	<b>107</b>	<b>7,077,740</b>	<b>7,701,056</b>	<b>(8.09)</b>	<b>3.90</b>	<b>3.24</b>	<b>5.78</b>	<b>195</b>

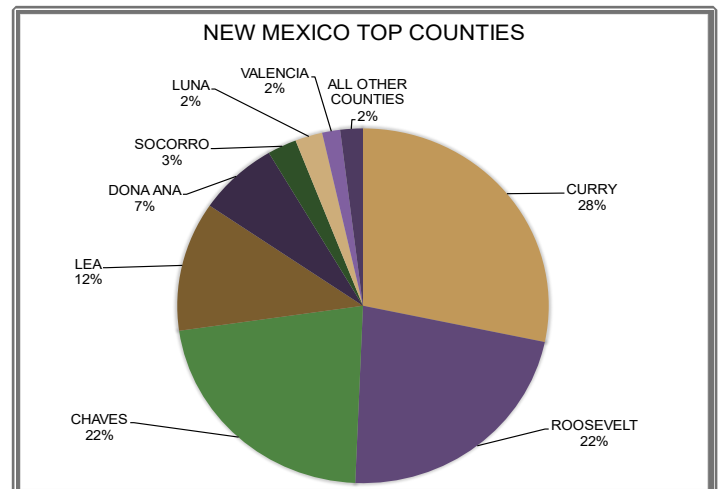
1/ Revised  
2/ Simple Average of Total

## Top New Mexico Counties

Curry County has the largest share of New Mexico production at 28 percent, followed by Roosevelt and Chaves Counties both at 22 percent, respectively. Overall, 103 producers delivered milk in New Mexico for the month of December.

County	Number of Producers	December 2022 Pounds	% Change 2021/2022
CURRY	22	160,545,452	0.17
ROOSEVELT	30	127,081,385	(2.68)
CHAVES	21	125,368,271	(9.99)
LEA	10	66,982,190	(0.04)
DONA ANA	8	39,700,618	(1.33)
SOCORRO	4	14,460,170	(0.36)
LUNA	3	13,512,200	9.12
VALENCIA	3	8,885,888	(42.12)
SUM	101	556,536,174	(3.99)
OTHER COUNTIES	<u>2</u>	<u>11,164,640</u>	<u>(28.05)</u>
NM TOTAL	103	567,700,814	(4.61)

1/ Revised



Click [HERE](#) for more information on New Mexico Milk Production

# COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

## December 2022

	Pounds	Price	Value
Add: Class I Differential			\$444,198.65
Class I Butterfat	7,939,224	\$ 3.3246	\$26,394,744.12
Class I Skim Per Cwt	320,407,409	\$14.4500	\$46,298,870.61
Class II Butterfat	7,799,830	\$ 3.1609	\$24,654,482.65
Class II Nonfat Solids	4,565,713	\$ 1.3867	\$6,331,274.23
Class III Butterfat	30,790,441	\$ 3.1539	\$97,109,971.88
Class III Protein	25,661,558	\$ 2.6568	\$68,177,627.30
Class III Other Solids	42,576,358	\$ 0.2652	\$11,291,250.15
Class IV Butterfat	3,175,758	\$ 3.1539	\$10,016,023.16
Class IV Nonfat Solids	3,504,525	\$ 1.2752	\$4,468,970.28
Class II, III, & IV Somatic Cell Adjustment			\$1,249,507.54
Total Producer Milk- Product Pounds and Value	1,157,973,980		\$296,436,920.57
Add: Value as for 60(f) thru 60(j)			\$75,530.41
Less: Total Protein Pounds	40,115,284	\$ 2.6568	\$106,578,286.54
Total Other Solids Pounds	66,954,558	\$ 0.2652	\$17,756,348.80
Total Butterfat Pounds	49,705,253	\$ 3.1539	\$156,765,397.46
Total Value of Somatic Cell Adjustment			\$1,651,508.95
<b>Total Milk and Value</b>	<b>1,157,973,980</b>		<b>\$13,609,848.41</b>
Add: Location Differential Adjustments			\$5,531,412.05
Producer - Settlement Fund Reserve			\$434,619.05
<b>Total Product Milk/URSP and Value</b>	<b>1,157,973,980</b>	<b>\$ 1.69052</b>	<b>\$19,575,879.51</b>
Less: Producer - Settlement Fund Reserve		\$ 0.04052	\$469,308.84
<b>Producer Price Differential (Dallas County)</b>		<b>\$1.65</b>	<b>\$19,106,570.67</b>

PPD per cwt

Remaining value from which PPD per cwt is calculated

Producer Price Differential	\$1.65
Class III Price	\$20.50
Statistical Uniform Price of Milk (3.5% Butterfat-Dallas)	\$22.15

Average Somatic Cell Count	212,000
Total Number of Producers	391

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
<b>Class I</b>	328,346,633	28.36	7,939,224	15.97	320,407,409	28.91
<b>Class II</b>	55,336,460	4.78	7,799,830	15.69	47,536,630	4.29
<b>Class III</b>	735,227,255	63.49	30,790,441	61.95	704,436,814	63.56
<b>Class IV</b>	39,063,632	3.37	3,175,758	6.39	35,887,874	3.24
<b>Total</b>	1,157,973,980	100.00	49,705,253	100.00	1,108,268,727	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
<b>Total Pounds</b>	49,705,253	40,115,284	66,954,558	107,069,842
<b>Average Test</b>	4.292%	3.464%	5.782%	9.246%

# Federal Order Prices

Federal Order	Statistical Uniform	Statistical Uniform	PPD	PPD	Class I Utilization	Class I Utilization
	Dec-22	Nov-22	Dec-22	Nov-22	Dec-22	Nov-22
Appalachian - F.O. 5	24.86	26.24	N/A	N/A	71.91	75.78
Arizona - F.O. 131	22.47	23.60	N/A	N/A	27.26	28.66
Central - F.O. 32	21.40	22.28	0.9	1.27	29.26	29.34
Florida - F.O. 6	27.05	28.27	N/A	N/A	85.53	84.31
Mideast - F.O. 33	21.81	22.75	1.31	1.74	39.4	40
Northeast - F.O. 1	23.06	24.27	2.56	3.26	30.8	31.1
Pacific NW - F.O. 124	21.42	22.36	0.92	1.35	23.51	23.21
California - F.O. 51	21.58	22.35	1.08	1.34	20.3	20.7
Southeast - F.O. 7	25.29	26.65	N/A	N/A	72.16	74.36
Southwest - F.O. 126	22.15	22.98	1.65	1.97	28.36	29.54
Upper Midwest - F.O. 30	20.73	21.30	0.23	0.29	5.6	5.7

## Useful links:

Agricultural Marketing Service (AMS) Dairy Website: <https://www.ams.usda.gov/rules-regulations/moa/dairy>

Federal Order Websites: <https://www.ams.usda.gov/rules-regulations/moa/dairy/mmadmin>

Dairy Market News: <https://www.ams.usda.gov/market-news/dairy-market-news-weekly-printed-reports>

National Agriculture Statistics Service (NASS): <https://www.nass.usda.gov/>

Economic Research Service: <https://www.ers.usda.gov/>



### Milk Market Administrator

P.O. Box 110939

Carrollton, TX 75011-0939

(972) 245-6060 (Phone)

(972) 245-3211 (Fax)

[sw.order@dallasma.com](mailto:sw.order@dallasma.com) (Email)

For more information, visit our website: [www.dallasma.com](http://www.dallasma.com)

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