

The Market Administrator's BULLETIN

SOUTHWEST MARKETING AREA

Cary Hunter, Market Administrator

May 2023

Federal Order No. 126

Market Overview

Producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an April statistical uniform price of \$19.20 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 \$19.44 in March.

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 April. The April Class I price decreased \$0.14 from \$21.99 in March to the April level of \$21.85. The Class II price decreased \$0.32 from \$19.52 in March to \$19.20 in April. The Class III price increased \$0.42 from \$18.10 in March to \$18.52 in April. The Class IV price decreased \$0.43 from \$18.38 in March to \$17.95 in April.

In April, 375 producers delivered a total of 1,201,171,954 pounds of milk. On a daily basis, this represents an increase of 1.39 percent from the producer receipts level in March and an increase of 0.95 percent when compared to the producer receipts level of April 2022.

Producer milk classified as Class I during April amounted to 25.42 percent of total producer receipts. This figure is down from 26.59 percent in March and down from 27.51 percent in April 2022. The average butterfat test of producer milk pooled during April was 4.141 percent, average protein test was 3.354 percent, average other solids test was 5.775 percent, and the average somatic cell count was 189,000.

The April butterfat price decreased \$0.0291 from \$2.7300 in March to the April level of \$2.7009. The protein price increased \$0.1518 from \$2.4085 in March to \$2.5603 in April. The other solids price increased \$0.0141 from \$0.2338 in March to \$0.2479 in April. The somatic cell adjustment rate in April was 0.00094 per cwt.

April 2023 Pool Summary

- ◆ The Statistical Uniform Price for the Southwest Order in April 2023 is \$19.20 with a PPD of \$0.68
- ◆ 1,201 million pounds were pooled in April. This is up 1.39 percent on a daily basis from March 2023
- ◆ 375 producers pooled their milk; this is up from 345 in March
- ◆ Class I milk accounted for 25.42 percent of all receipts, down from 26.59 in March

Classification of Producer Milk

	<i>Price</i>	<i>Pounds</i>	<i>Percent</i>
Class I	21.85	305,325,478	25.42
Class II	19.20	111,196,964	9.26
Class III	18.52	301,249,943	25.08
Class IV	17.95	483,399,569	40.24

Producer Prices

Statistical Uniform Price	\$19.20	/ cwt
Producer Price Differential	\$0.68	/ cwt
Butterfat Price	\$2.7009	/ lb
Protein Price	\$2.5603	/ lb
Other Solids Price	\$0.2479	/ lb
Nonfat Solids Price	\$0.9774	/ lb
Somatic Cell Adjustment Rate	\$0.00094	/ cwt

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 5/26/2023 to 6/1/2023

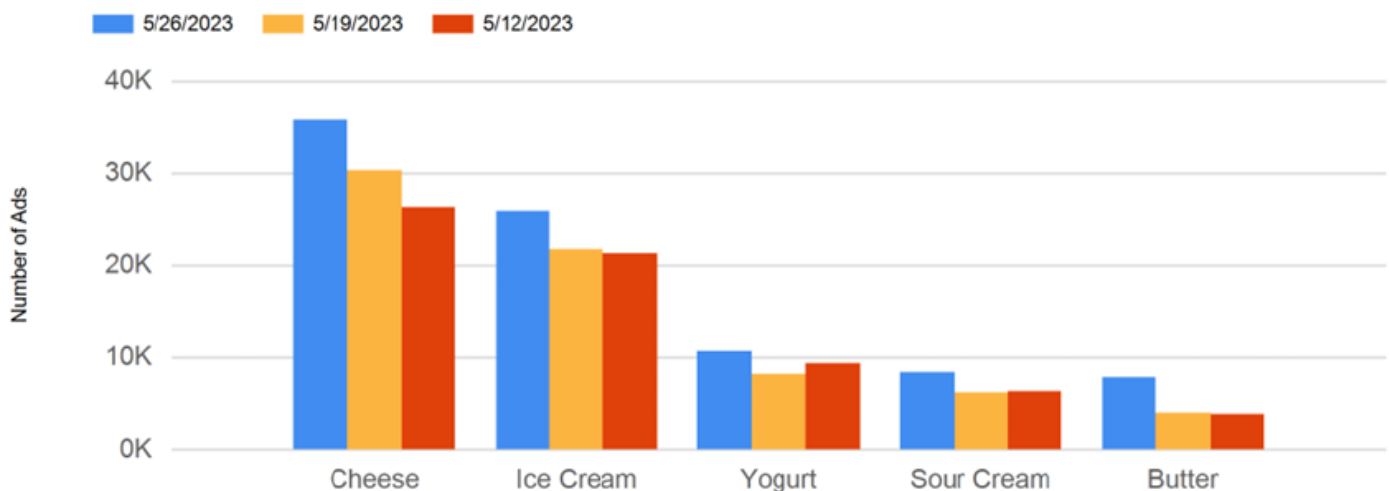
Total dairy retail advertisements increased on the conventional aisle by 21 percent, from the previous week, while organic dairy ad totals increased 92 percent, compared to last week. As a percentage of total ads by commodity, conventional cheese and organic cheese led the way, 32 percent, and 54 percent, respectively. Ice cream in 48-64 -ounce containers was the most advertised conventional dairy retail item, while 6-8-ounce sliced cheese was the most advertised organic dairy retail item.

Total retail ads for conventional milk declined this week, down 29 percent from last the survey period, while total organic milk retail ads increased 74 percent, compared to the previous retail survey. Half gallon conventional milk posted a 73 percent decline in retail store ads, with a \$2.08 weighted average advertised price. Half gallon organic milk ads posted a 135 percent increase, with a \$4.18 weighted average advertised price. As a result, the market recognizes an organic premium of \$2.10 this week.

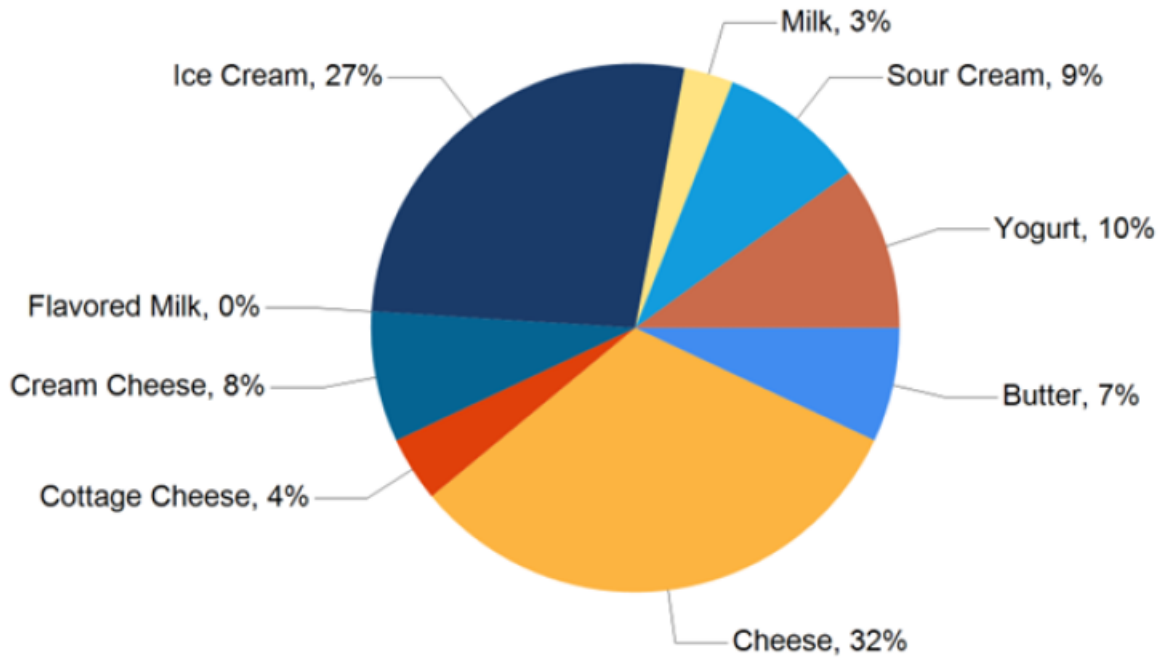
This week, total conventional cheese advertisements increased 12 percent, and total organic cheese ads increased 110 percent. Conventional cheese 6-8-ounce slice ads grew 29 percent. In the organic category, 6-8-ounce sliced cheese retail ad numbers are up 188 percent, compared to the previous week.

Total conventional yogurt ads decreased 4 percent, while total organic yogurt ads increased 47 percent. Greek yogurt 4-6 ounce had the highest number of retail ads in the conventional yogurt category, although down 26 percent compared to last week.

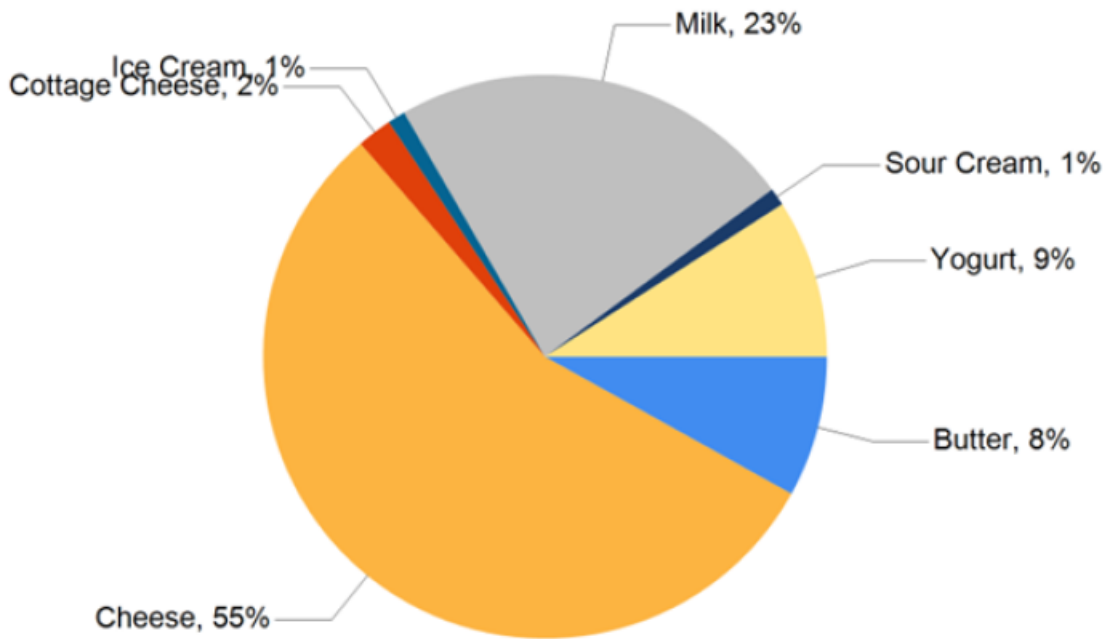
Top 5 Commodities Featured This Week



Percentage of Total Conventional Ads by Commodity

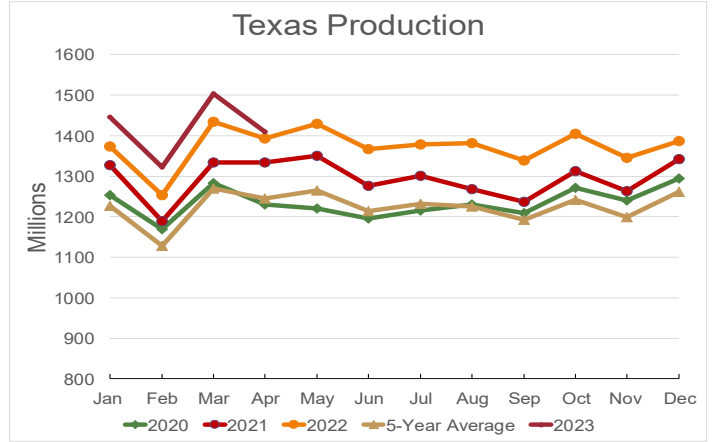


Percentage of Total Organic Ads by Commodity



Texas Dairy Production

In April, Texas dairy production totaled 1,410 million pounds. This is a 1.22 percent increase relative to April 2022 and a 13.2 percent increase from the April five year average (2018-2022). The April average butterfat for Texas production is 4.17 percent, the average protein is 3.36 percent, and the average other solids at 5.79 percent. The average somatic cell count is at 179,000.



Month	2023 Number of Producers	2023 Pounds (In Thousands)	2022 Pounds (In Thousands)	% Change from 2022/2023	2023 Butterfat	2023 Protein	2023 Other Solids	2023 SCC (In Thousands)
Jan	315	1,446,413	1,374,644	5.22	4.36	3.45	5.80	208
Feb	312	1,322,088	1,253,077	5.51	4.35	3.44	5.80	201
Mar	311	1,502,558	1,434,529	4.74	4.26	3.40	5.80	189
Apr	316	1,409,738	1,392,807	1.22	4.17	3.36	5.79	179
May			1,429,818					
Jun			1,366,949					
Jul			1,379,074					
Aug			1,381,607					
Sep			1,338,655					
Oct			1,404,680					
Nov			1,345,384					
Dec			1,385,860					
Total		5,680,797	16,487,084					

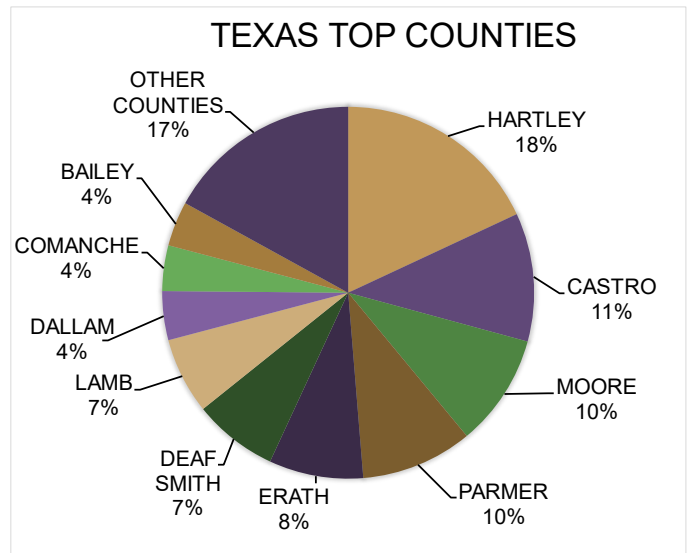
1/ Revised
2/ Simple Average of Total

Top Texas Counties

Hartley County has the largest share of Texas production at 19 percent, followed by Parmer and Moore Counties, both at 10%. Overall, 316 producers delivered milk in Texas for the month of April.

County	Number of Producers	April 2023 Pounds	% Change 2022/2023
HARTLEY	19	260,837,866	10.38
PARMER	15	138,652,051	(0.01)
MOORE	10	138,028,380	9.60
CASTRO	15	137,827,362	(7.56)
ERATH	43	111,781,640	(8.76)
DEAF SMITH	14	108,902,259	(0.40)
LAMB	13	94,908,577	5.32
DALLAM	5	62,770,837	12.82
BAILEY	10	55,655,886	4.48
COMANCHE	15	52,942,428	(4.85)
SUM	144	1,162,307,286	2.27
OTHER COUNTIES	167	247,430,564	(3.46)
TEXAS TOTAL	311	1,409,737,850	1.22

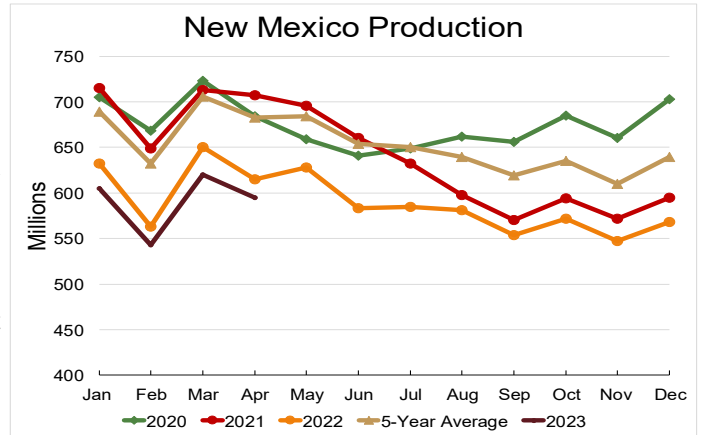
1/ Revised



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

New Mexico Dairy Production

In April, New Mexico dairy production totaled 595 million pounds. This is a 3.25 percent decrease relative to April 2022 and a 12.8 percent decrease from the April five year average (2018-2022). The April average butterfat is 3.86 percent, the average protein is 3.26 percent, and the average other solids at 5.77 percent. The average somatic cell count is at 178,000.



Month	2023 Number of Producers	2023 Pounds (In Thousands)	2022 Pounds (In Thousands)	% Change from 2022/2023	2023 Butterfat	2023 Protein	2023 Other Solids	2023 SCC (In Thousands)
Jan	103	604,966	632,112	(4.29)	4.06	3.34	5.79	223
Feb	105	543,043	563,156	(3.57)	4.04	3.32	5.79	220
Mar	106	619,727	650,082	(4.67)	3.96	3.28	5.79	199
Apr	103	594,879	614,872	(3.25)	3.86	3.26	5.77	178
May			628,012					
Jun			583,485					
Jul			584,911					
Aug			581,278					
Sep			553,579					
Oct			571,628					
Nov			546,924					
Dec			567,701					
Total		2,362,615	7,077,740					

1/ Revised

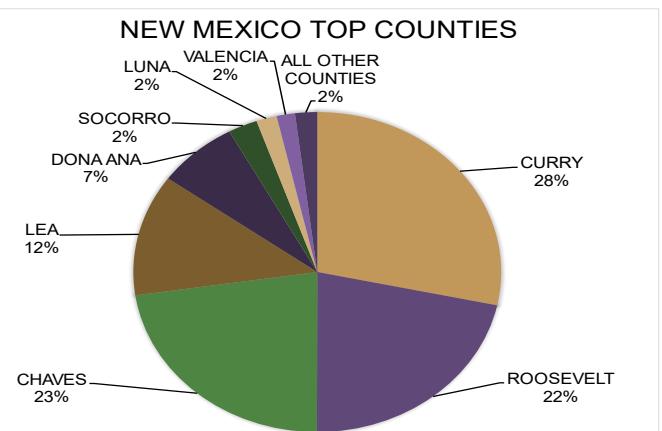
2/ Simple Average of Total

Top New Mexico Counties

Curry County has the largest share of New Mexico production at 28 percent, followed by Chaves and Roosevelt Counties at 23 and 22 percent, respectively. Overall, 103 producers delivered milk in New Mexico for the month of April.

County	Number of Producers	April 2023 Pounds	% Change 2022/2023
CURRY	22	168,591,169	0.08
CHAVES	22	134,716,709	(6.16)
ROOSEVELT	28	129,016,747	(3.96)
LEA	10	72,963,768	0.09
DONA ANA	9	42,366,430	(2.51)
SOCORRO	4	15,341,537	(3.37)
LUNA	3	10,738,820	(27.72)
VALENCIA	3	9,582,122	10.06
SUM	101	583,317,302	(3.13)
OTHER COUNTIES	<u>2</u>	<u>11,561,690</u>	<u>(9.17)</u>
NM TOTAL	103	594,878,992	(3.25)

1/ Revised



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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

April 2023

	Pounds	Price	Value
Add: Class I Differential			\$441,837.72
Class I Butterfat	6,766,624	\$ 2.7517	\$18,619,719.27
Class I Skim Per Cwt	298,558,854	\$12.6600	\$37,797,550.95
Class II Butterfat	12,990,558	\$ 2.7079	\$35,177,132.02
Class II Nonfat Solids	9,304,636	\$ 1.1189	\$10,410,957.23
Class III Butterfat	13,764,653	\$ 2.7009	\$37,176,951.30
Class III Protein	9,793,271	\$ 2.5603	\$25,073,711.75
Class III Other Solids	17,306,711	\$ 0.2479	\$4,290,333.66
Class IV Butterfat	16,219,236	\$ 2.7009	\$43,806,534.52
Class IV Nonfat Solids	44,985,923	\$ 0.9774	\$43,969,241.12
Class II, III, & IV Somatic Cell Adjustment			\$1,419,592.87
Total Producer Milk- Product Pounds and Value	1,201,171,954		\$258,183,562.41
Add: Value as for 60(f) thru 60(j)		Total Value of Milk in Pool	\$32,921.37
Less: Total Protein Pounds	40,298,929	\$ 2.5603	\$103,177,347.91
Total Other Solids Pounds	69,378,791	\$ 0.2479	\$17,199,002.35
Total Butterfat Pounds	49,741,071	\$ 2.7009	\$134,345,658.69
Total Value of Somatic Cell Adjustment			\$1,821,803.51
Total Milk and Value	1,201,171,954		\$1,672,671.32
Add: Location Differential Adjustments			\$6,561,828.89
Producer - Settlement Fund Reserve			\$533,690.04
Total Product Milk/URSP and Value	1,201,171,954	\$ 0.72997	\$8,768,190.25
Less: Producer - Settlement Fund Reserve		\$ 0.04997	\$600,220.96
Producer Price Differential (Dallas County)		\$.68	\$8,167,969.29

PPD per cwt

Remaining value from which PPD per cwt is calculated

Producer Price Differential	\$.68
Class III Price	\$18.52
Statistical Uniform Price of Milk (3.5% Butterfat-Dallas)	\$19.20

Average Somatic Cell Count	189,000
Total Number of Producers	375

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
Class I	305,325,478	25.42	6,766,624	13.60	298,558,854	25.93
Class II	111,196,964	9.26	12,990,558	26.12	98,206,406	8.53
Class III	301,249,943	25.08	13,764,653	27.67	287,485,290	24.97
Class IV	483,399,569	40.24	16,219,236	32.61	467,180,333	40.57
Total	1,201,171,954	100.00	49,741,071	100.00	1,151,430,883	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	49,741,071	40,298,929	69,378,791	109,677,720
Average Test	4.141%	3.354%	5.775%	9.130%

Federal Order Prices

Federal Order	Statistical Uniform	Statistical Uniform	PPD	PPD	Class I Utilization	Class I Utilization
	Apr-23	Mar-23	Apr-23	Mar-23	Apr-23	Mar-23
Appalachian - F.O. 5	21.17	21.50	N/A	N/A	66.94	69.41
Arizona - F.O. 131	19.00	19.24	N/A	N/A	23.58	26.23
Central - F.O. 32	18.45	18.48	-0.07	0.38	23.67	24.26
Florida - F.O. 6	23.28	23.51	N/A	N/A	82.01	82.3
Mideast - F.O. 33	18.96	18.91	0.44	0.81	29.9	33.2
Northeast - F.O. 1	19.77	19.93	1.25	1.83	27.2	29.4
Pacific NW - F.O. 124	18.38	18.50	-0.14	0.4	20.86	19.17
California - F.O. 51	18.62	18.79	0.1	0.69	14.6	14.9
Southeast - F.O. 7	21.54	22.12	N/A	N/A	63.55	74.1
Southwest - F.O. 126	19.20	19.44	0.68	1.34	25.42	26.59
Upper Midwest - F.O. 30	18.64	18.29	0.12	0.19	6.4	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/>



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