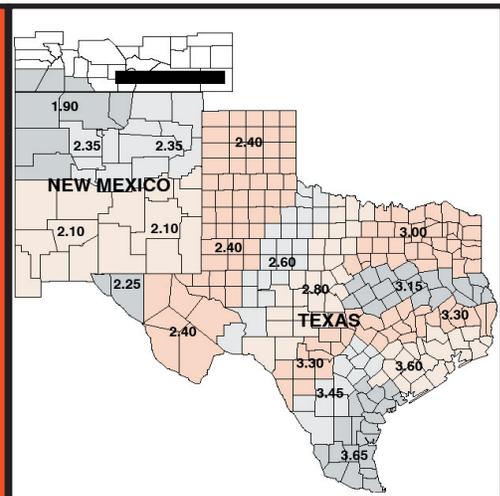


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR JANUARY

The Producer Price Differential (P.P.D.) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$2.72 for January. Butterfat price decreased \$0.1914 per pound from \$1.2998 in December to the level of \$1.1084 in January. Protein price decreased \$1.2752 per pound from \$3.6390 in December to \$2.3638 in January. January's Other Solids price decreased (\$0.0035) per pound from (\$0.0269) in December to (\$0.0304) in January. The Somatic Cell Count adjustment rate factor for January was 0.00065 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a January statistical uniform price of \$13.50 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 \$1.25 in comparison to the statistical blend price of \$14.75 in December.

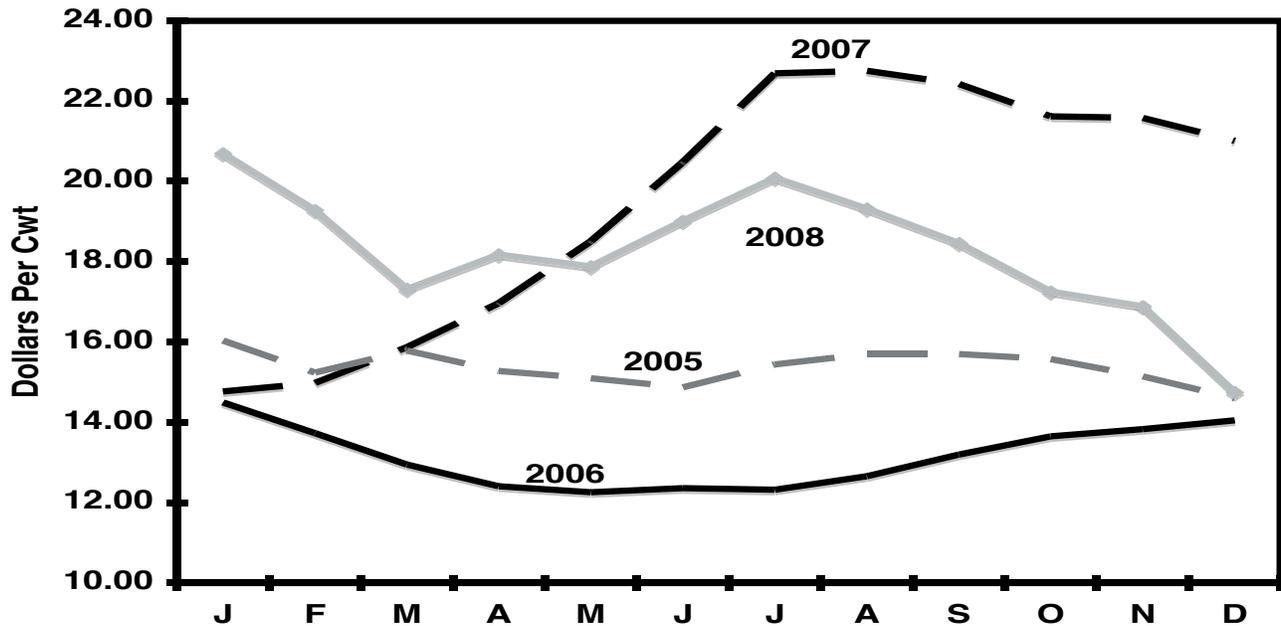
The January Class I price increased \$0.31 from \$18.43 in December to the January level of \$18.74. The Class II price for January of \$10.41 per hundred-weight decreased \$0.80 from \$11.21 in December. January's Class III price decreased \$4.50 from \$15.28 in December to \$10.78 in January. The Class IV price decreased \$0.76 from \$10.35 in December to \$9.59 in January.

In January 568 producers delivered a total of 1,088,983,537 pounds of milk. On a daily basis this represents a decrease of 80.31 percent from the producer receipts level in December and it represents an increase of 30.57 percent when compared to the producer receipts level of January 2008.

Producer milk classified as Class I during January amounted to 34.82 percent of total producer receipts. This figure is down from 60.77 percent in December and it is down from 44.77 percent in January 2008. The average butterfat test of producer milk pooled during January was 3.688 percent, average protein test was 3.136 percent, average other solids test was 5.711 percent and the average somatic cell count was 222,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jan 09	Dec 08	Jan 09	Dec 08	Jan 09	Dec 08
Appalachian	16.41	16.23	-----	-----	70.29	69.19
Arizona	12.49	13.97	-----	-----	31.55	33.65
Central	12.49	13.63	1.71	(1.65)	34.68	40.51
Florida	18.92	18.88	-----	-----	81.64	84.48
Mideast	13.22	14.42	2.44	(0.86)	42.50	47.90
Northeast	14.14	15.06	3.36	(0.22)	44.20	46.30
Pacific Northwest	12.12	13.00	1.34	(2.28)	28.23	43.09
Southeast	16.62	16.85	-----	-----	68.14	66.68
<b>Southwest</b>	<b>13.50</b>	<b>14.75</b>	<b>2.72</b>	<b>(0.53)</b>	<b>34.82</b>	<b>60.77</b>
Upper Midwest	11.60	15.04	0.82	(0.24)	14.10	17.00

## SOUTHWEST ORDER STATISTICAL UNIFORM PRICE 2005 - 2008



## 2008 ANNUAL PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES\*

2008 Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	4,207,186,171	43.43	94,070,508	26.75	4,113,115,663	44.06
Class II	1,132,027,298	11.69	104,334,253	29.66	1,027,693,045	11.01
Class III	2,394,254,986	24.72	94,752,588	26.94	2,299,502,398	24.63
Class IV	1,953,978,194	20.17	58,553,147	16.65	1,895,425,047	20.30
Total	9,687,446,649	100.00	351,710,496	100.00	9,335,736,153	100.00

2008 Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	130,724,293	44.19	244,432,523	44.05	375,156,828	44.10
Class II	32,650,561	11.04	61,052,741	11.00	93,703,294	11.02
Class III	72,332,444	24.45	136,706,645	24.64	209,039,077	24.57
Class IV	60,121,920	20.32	112,656,694	20.30	172,778,622	20.31
Total	295,829,218	100.00	554,848,603	100.00	850,677,821	100.00

\* Percentages may not add down due to rounding.

## TOP TEN TEXAS COUNTIES a/ – JANUARY 2009

County	Number of Producers	Pounds	% Change From 2008b/	County	Number of Producers	Pounds	% Change From 2008b/
1. Erath	88	109,028,454	+ 8.41	7. Hartley	10	42,803,860	+ 19.71
2. Parmer	13	69,852,109	+ 7.92	8. Bailey	11	42,210,649	+ 28.48
3. Deaf Smith	14	63,693,360	+ 23.94	9. Lamb	9	39,737,452	+ 6.32
4. Castro	11	58,231,949	+ 22.62	10. Hale	4	29,923,460	+ 10.99
5. Hopkins	120	50,076,129	+ 9.75	Ten County Total	307	551,313,874	+ 13.58 b/
6. Comanche	27	45,756,452	+ 7.34	Other Counties Total	329	212,750,602	+ 12.04
				Texas Total	636	764,064,476	+ 13.15

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

b/ Compared to top ten counties for the month in the previous year.

## Class Prices at 3.5%, for Federal Orders 126 Formula Prices and Price Quotations

Month	Class Prices & P.P.D.					BF	Component Prices			NASS Product Prices			
	I a/	II	III	IV	P.P.D.a/		Other Solids	True Protein	SCC c/ Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
December	23.04	20.82	20.60	19.18	0.41	143.48	26.37	470.61	.00105	131.59	209.76	180.31	45.16
Averages 2007 b/	21.14	18.36	18.04	18.36	1.43	146.93	42.01	351.21	.00087	134.41	173.80	169.27	60.04
January 2008	23.97	19.75	19.32	16.29	1.38	133.19	20.97	449.94	.00100	123.01	199.98	150.90	39.92
February	22.68	18.46	17.03	14.67	2.25	130.10	8.03	401.80	.00092	120.44	184.03	133.31	27.36
March	19.70	15.63	18.00	14.17	(0.68)	136.04	4.93	433.31	.00098	125.39	195.75	125.12	24.35
April	21.61	15.29	16.76	14.56	1.42	147.48	6.22	375.79	.00091	134.92	181.64	125.06	25.60
May	19.62	15.51	18.18	15.26	(0.30)	155.62	7.66	411.08	.00098	141.70	195.25	129.85	27.00
June	21.18	16.19	20.25	15.92	(1.23)	161.60	8.26	471.93	.00108	146.69	216.09	135.08	27.58
July	23.78	16.81	18.24	16.60	1.85	167.74	7.07	400.25	.00098	151.80	195.85	140.53	26.42
August	21.47	17.45	17.32	16.64	2.00	174.13	5.29	364.97	.00093	157.13	186.99	138.40	24.70
September	20.65	17.58	16.28	15.45	2.18	181.96	2.34	326.89	.00089	163.65	177.73	121.31	21.83
October	18.53	16.60	17.06	13.62	0.20	185.07	(0.47)	354.90	.00095	169.97	190.65	99.87	19.45
November	20.33	14.45	15.51	12.25	1.38	177.30	(0.99)	313.01	.00088	163.56	175.11	87.01	18.95
December	18.43	11.21	15.28	10.35	(0.53)	129.98	(2.69)	363.90	.00088	124.48	175.44	84.25	17.30
Averages 2008 b/	21.00	16.24	17.44	14.65	0.83	156.68	5.55	388.98	.00095	143.56	189.54	122.56	25.04
January 2009	18.74	10.41	10.78	9.59	2.72	110.84	(3.04)	236.38	.00065	108.68	129.61	83.18	16.96

a/ Subject to location adjustments. b/ Simple averages c/ SCC adjustment rate is per 1,000 difference.

## TOP NEW MEXICO COUNTIES a/ – JANUARY 2009

County	Number of Producers	Pounds	% Change From 2008b/	County	Number of Producers	Pounds	% Change From 2008b/
1. Chaves	38	171,516,745	+ 3.14	7. Socorro	8	19,852,031	+ 11.96
2. Curry	27	144,349,778	+ 11.40	8. Valencia	5	14,087,446	+ 5.61
3. Roosevelt	41	135,863,352	+ 9.97	9. Sierra	3	7,123,403	- 8.21
4. Dona Ana	23	89,579,453	- 5.48	10. Bernalillo	4	5,373,069	+ 4.02
5. Lea	12	45,363,355	+ 15.14	Ten County Total	167	658,478,383	+ 5.89 b/
6. Eddy	6	25,369,751	+ 4.44	Other Counties Total	3	10,683,278	- 1.34
				New Mexico Total	170	669,161,661	+ 5.76

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

b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2007 THROUGH JANUARY 2009, WITH PRODUCTION PERCENTAGE COMPARISONS**

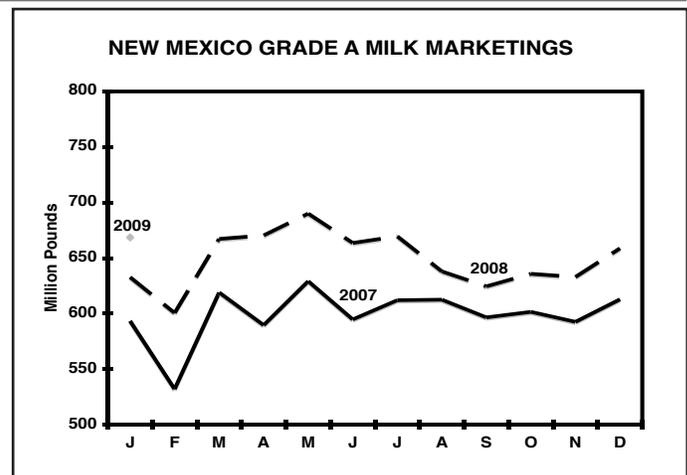
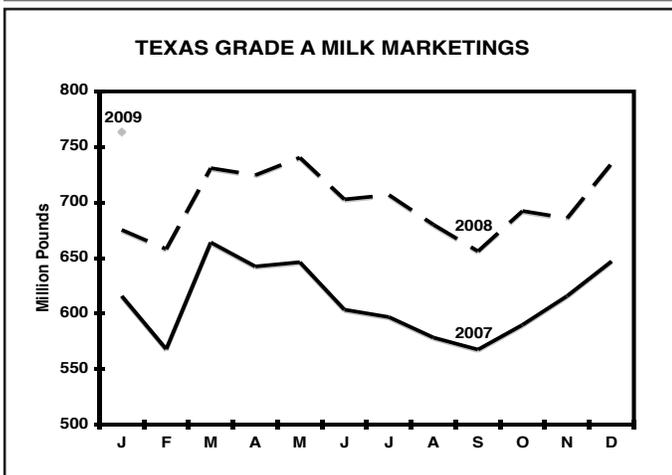
MONTH	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	PERCENT 2008/07	CHANGE 2009/08
January	615,854,742	697	675,265,283	654	764,064,476	636	+ 9.65	+ 13.15
February	567,905,237	692	658,108,461	658			+ 11.89*	
March	664,126,490	694	730,859,173	659			+ 10.05	
April	642,444,396	689	724,651,306	659			+ 12.80	
May	646,347,511	676	740,427,008	659			+ 14.56	
June	603,528,908	670	702,946,861	656			+ 16.47	
July	596,923,443	656	706,911,758	657			+ 18.43	
August	578,369,166	656	679,996,118	654			+ 17.57	
September	569,217,018	661	656,032,884	646			+ 15.25	
October	607,239,216	664	692,397,097	648			+ 14.02	
November	615,810,876	660	685,894,611	646			+ 11.38	
December	<u>647,114,088</u>	655	<u>735,262,255</u>	640			<u>+ 13.62</u>	
Years Total	7,354,881,091		8,388,752,815				+ 14.06	

\* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2007 THROUGH JANUARY 2009, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	PERCENT 2008/07	CHANGE 2009/08
January	593,437,434	171	632,699,151	173	669,161,661	170	+ 6.62	+ 5.76
February	531,955,021	170	600,488,935	169			+ 8.99*	
March	618,854,728	171	667,225,545	170			+ 7.82	
April	593,858,997	168	670,437,294	170			+ 12.90	
May	629,220,180	166	690,007,674	173			+ 9.66	
June	598,890,379	166	663,052,878	172			+ 10.79	
July	611,908,294	167	669,450,030	172			+ 9.40	
August	612,444,830	169	637,877,538	172			+ 4.15	
September	596,639,214	173	624,527,568	172			+ 4.67	
October	614,972,057	172	635,779,456	174			+ 3.38	
November	592,544,809	171	632,916,136	175			+ 6.81	
December	<u>612,751,685</u>	172	<u>658,804,868</u>	173			<u>+ 7.52</u>	
Years Total	7,207,477,628		7,783,267,073				+ 7.99	

\* Based on average daily deliveries.



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## 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
January 2008	3.87	3.74	3.19	3.13	5.72	5.71	8.90	8.84	274	240
February	3.79	3.67	3.13	3.06	5.71	5.71	8.84	8.77	260	220
March	3.76	3.63	3.10	3.02	5.72	5.72	8.82	8.75	244	202
April	3.69	3.56	3.08	3.00	5.72	5.73	8.80	8.73	241	193
May	3.64	3.51	3.04	2.96	5.74	5.75	8.78	8.71	247	197
June	3.58	3.48	2.99	2.89	5.74	5.75	8.72	8.64	261	205
July	3.59	3.48	3.00	2.90	5.71	5.73	8.71	8.63	305	262
August	3.63	3.51	3.01	2.92	5.73	5.75	8.74	8.67	327	268
September	3.70	3.55	3.08	3.00	5.72	5.74	8.80	8.74	341	281
October	3.77	3.62	3.15	3.08	5.72	5.74	8.87	8.82	313	257
November	3.81	3.62	3.18	3.13	5.73	5.74	8.91	8.87	277	226
December	3.83	3.64	3.19	3.12	5.74	5.74	8.93	8.86	268	222
Averages 2008	3.72	3.58	3.10	3.02	5.73	5.73	8.82	8.75	280	231
January 2009	3.81	3.63	3.16	3.11	5.72	5.72	8.87	8.83	252	211

a/ In thousands.

**JANUARY 2009**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	Pounds	Price	Value
Add: Class I Differential			\$416,655.15
Class I Butterfat	60(a)	8,164,645	\$1.4283
Class I Skim Per Cwt		371,069,059	\$14.2400
Class II Butterfat	60(b)	7,690,842	\$1.1154
Class II Nonfat Solids		7,914,530	\$0.7489
Class III Butterfat	60(c)	17,076,584	\$1.1084
Class III Protein		14,170,018	\$2.3638
Class III Other Solids		25,846,690	(\$0.0304)
Class IV Butterfat	60(d)	7,233,629	\$1.1084
Class IV Nonfat Solids		14,370,360	\$0.6574
Class II, III & IV Somatic Cell Adj.	60(e)		\$591,735.45
Total Producer Milk-Product Lbs & Value		1,088,983,537	\$149,117,607.74
Add: Value as for 60(f) Thru 60(j)			\$60,131.25
Less: Total Protein Pounds	61(b)	34,160,490	\$2.3638
Total Other Solids Pounds		62,200,779	(\$0.0304)
Total Butterfat Pounds		40,165,700	\$1.1084
Total Value of Somatic Cell Adjustment			\$903,672.51
<b>Total Milk and Value</b>		1,088,983,537	\$24,896,742.02
Add: Location Differential Adjustments	61(c)		\$4,983,415.77
Producer-Settlement Fund	61(d)		\$261,047.27
<b>Total Producer Milk/URSP and Value</b>		1,088,983,537	\$2.76782
Less: Producer-Settlement Fund	61(f)		\$0.04782
<b>Producer Price Differential (Dallas County)</b>			\$2.72
			\$29,620,352.21

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REPORT**

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

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**JANUARY 2009  
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	379,233,704	34.82	8,164,645	20.33	371,069,059	35.38
Class II	93,608,190	8.60	7,690,842	19.15	85,917,348	8.19
Class III	452,887,146	41.59	17,076,584	42.51	435,810,562	41.55
Class IV	163,254,497	14.99	7,233,629	18.01	156,020,868	14.88
Total	1,088,983,537	100.00	40,165,700	100.00	1,048,817,837	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	12,044,498	35.26	22,015,177	35.40	34,059,672	35.35
Class II	2,818,966	8.25	5,095,560	8.19	7,914,530	8.21
Class III	14,170,018	41.48	25,846,690	41.55	40,016,707	41.53
Class IV	5,127,008	15.01	9,243,352	14.86	14,370,360	14.91
Total	34,160,490	100.00	62,200,779	100.00	96,361,269	100.00