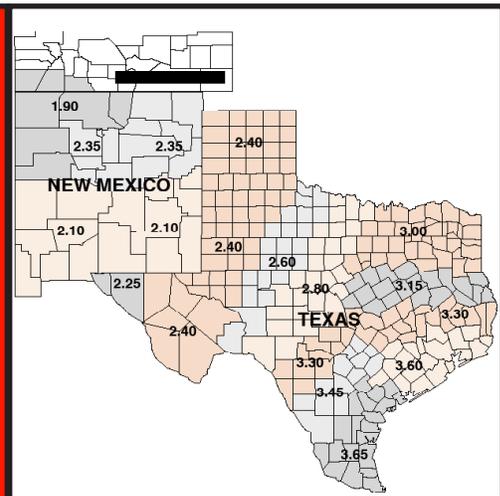


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR NOVEMBER

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$0.34 for November. Butterfat price decreased \$0.6496 per pound from \$2.8507 in October to the level of \$2.2011 in November. Protein price increased \$0.1656 per pound from \$3.7362 in October to \$3.9018 in November. The Other Solids price decreased \$0.0165 per pound from \$0.4670 in October to \$0.4505 in November. The Somatic Cell Count adjustment rate factor for November was 0.00107 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a November statistical uniform price of \$22.28 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 \$2.22 in comparison to the statistical uniform price of \$24.50 in October.

The November Class I price decreased \$0.13 from \$27.19 in October to the November level of \$27.06. The Class II price decreased \$2.02 from \$21.93 per hundredweight in October to \$19.91 in November. The Class III price decreased \$1.88 from \$23.82 in October to \$21.94 in November. The Class IV price decreased \$3.14 from \$21.35 in October to \$18.21 in November.

In November 513 producers delivered a total of 664,740,435 pounds of milk. On a daily basis this represents a decrease of 7.73 percent from the producer receipts level in October and it represents an decrease of 34.75 percent when compared to the producer receipts level of November 2013.

Producer milk classified as Class I during November amounted to 54.27 percent of total producer receipts. This figure is up from 53.10 percent in October and is up from 36.60 percent in November 2013. The average butterfat test of producer milk pooled during November was 3.817 percent, average protein test was 3.279 percent, average other solids test was 5.769 percent and the average somatic cell count was 228,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov 14	Oct 14	Nov 14	Oct 14	Nov 14	Oct 14
Appalachian - FO 5	24.16	25.97	-----	-----	70.60	73.50
Arizona - FO 131	21.19	23.45	-----	-----	27.89	30.87
Central - FO 32	21.38	23.46	-0.56	-0.36	36.83	38.48
Florida - FO 6	26.64	28.10	-----	-----	84.51	85.46
Mideast - FO 33	21.20	23.31	0.74	0.51	36.20	38.70
Northeast - FO 1	22.26	24.35	0.32	0.53	36.30	37.90
Pacific Northwest - FO 124	20.18	22.83	-1.76	-0.99	37.99	35.79
Southeast - FO 7	24.85	26.73	-----	-----	75.12	81.01
<b>Southwest - FO 126</b>	<b>22.98</b>	<b>24.50</b>	<b>0.34</b>	<b>0.68</b>	<b>54.27</b>	<b>53.10</b>
Upper Midwest - FO 30	21.75	23.71	-0.19	-0.11	12.40	13.70

## USDA Extends Application Deadline for Dairy Margin Protection Program to December 19, 2014

Dairy producers urged to act now to protect their businesses against unpredictable market swings, take advantage of increased protections offered in first year of program.

WASHINGTON, Dec. 4, 2014 – U.S. Department of Agriculture Secretary Tom Vilsack today announced that the application deadline for the dairy Margin Protection Program (MPP) will be extended until Dec. 19, 2014. The program, established by the 2014 Farm Bill, protects participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below levels of protection selected by the applicant.

“The 2014 Farm Bill created these safety net programs to provide safeguards against the uncertainty of weather and markets, but this safety net is not automatic. Producers must visit their local Farm Service Agency office to enroll before December 19,” said Vilsack. “Despite the best forecasts, weather and markets can change, so a modest investment today can protect against unexpected losses tomorrow.”

“For just \$100, a farmer can cover 90 percent of production at \$4 margin swings, and with affordable incremental premiums, dairy farmers can cover up to \$8 margin swings,” said Vilsack. “Those who apply this year will receive a slight increase in production protection that will not be available in the future. Farmers who do not sign up for the Margin Protection Program for 2015 will forfeit the 1 percent base production increase. For a 400 cow operation, this would equate to an additional 80,000 pounds of milk that are eligible for coverage. It's a small step to take to ensure your business is covered.”

Vilsack encourages producers to use the online Web resource at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool) to calculate the best levels of coverage for their dairy operation. They can type in specific operation data and explore price projections and market scenarios to determine what level of coverage is best for them. They can also compare the data to see how the program would have

helped in previous years, such as 2008, when margins dropped from \$8 to \$3 in just three months. The online resource is on a secure website that can be accessed from computers, mobile phones or tablets, 24 hours a day, seven days a week.

Farmers also have a chance to share comments and help shape the Margin Protection Program for the future. Last month, the U.S. Department of Agriculture (USDA) announced the extension of the opportunity for public comments on both the Margin Protection Program and the Dairy Product Donation Program until Dec. 15, 2014. Comments can be submitted to USDA via the [regulations.gov](http://www.regulations.gov) website at <http://go.usa.gov/GJSA> or send them by mail to: Danielle Cooke, Special Programs Manager, Price Support Division, FSA, USDA, STOP 0512, 1400 Independence Ave. SW, Washington, D.C., 20250-0512.

Today's announcement was made possible through the 2014 Farm Bill, which builds on historic economic gains in rural America over the past five years, while achieving meaningful reform and billions of dollars in savings for the taxpayer. Since enactment, USDA has made significant progress to implement each provision of this critical legislation, including providing disaster relief to farmers and ranchers; strengthening risk management tools; expanding access to rural credit; funding critical research; establishing innovative public-private conservation partnerships; developing new markets for rural-made products; and investing in infrastructure, housing and community facilities to help improve quality of life in rural America. For more information, visit [www.usda.gov/farmbill](http://www.usda.gov/farmbill).

To learn more about the Margin Protection Program for dairy, contact your local USDA Farm Service Agency county office at [offices.usda.gov](http://offices.usda.gov) or visit us on the Web at [www.fsa.usda.gov](http://www.fsa.usda.gov).

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users)

Effective with the January 2015 publication, “**The Market Administrator’s Report**” will no longer be mailed to our current interested parties list. The “Report” will be distributed electronically and be available on our website, [www.dallasma.com](http://www.dallasma.com). Sign up for electronic distribution of the “Report” and other publications from the Southwest Order Office, at: <https://www.dallasma.com/secure/publications/>.

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

Rank	County	Number of Producers	Pounds 2014	Pounds 2013	Percent Change 2013/2014
1.	Castro	13	92,874,573	90,451,888	+ 2.68
2.	Parmer	16	91,403,420	78,887,840	+ 15.87
3.	Erath	56	81,527,324	78,764,637	+ 3.51
4.	Moore	9	75,863,964	54,956,790	+ 38.04
5.	Deaf Smith	11	67,980,741	62,494,992	+ 8.78
6.	Lamb	10	58,520,458	56,127,860	+ 4.26
7.	Hartley	11	55,661,484	52,991,075	+ 5.04
8.	Bailey	10	43,663,419	40,609,409	+ 7.52
9.	Hale	6	42,431,274	43,335,200	- 2.09
10.	Comanche	17	38,289,257	37,048,410	+ 3.35
Ten County Total		159	648,215,914	595,668,101	+ 8.82
Other Counties		277	187,994,029	180,259,048	+ 4.29
<b>Texas Total</b>		<b>436</b>	<b>836,209,943</b>	<b>775,927,149</b>	<b>+ 7.77</b>

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

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

Rank	County	Number of Producers	Pounds 2014	Pounds 2013	Percent Change 2013/2014
1.	Curry	28	154,368,563	138,151,445	+ 11.74
2.	Chaves	32	142,915,625	154,414,889	- 7.45
3.	Roosevelt	32	122,824,562	122,421,851	+ 0.33
4.	Dona Ana	18	76,999,113	77,962,665	- 1.24
5.	Lea	13	53,611,165	57,055,319	- 6.04
6.	Socorro	8	21,368,946	21,052,838	+ 1.50
7.	Valencia	5	16,511,181	14,717,688	+ 12.19
8.	Luna	3	15,603,610	16,002,853	- 2.49
9.	Eddy	3	14,776,300	16,272,620	- 9.20
Top County Total		142	618,979,065	618,052,168	+ 0.15
Other Counties		4	13,690,622	13,870,409	- 1.30
<b>New Mexico Total</b>		<b>146</b>	<b>632,669,687</b>	<b>631,922,577</b>	<b>+ 0.12</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 a/	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
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 b/	3.88	3.64	3.27	3.14	5.63	5.73	8.99	8.87	233	210
November	3.95	3.73	3.36	3.22	5.76	5.77	9.12	8.99	221	197

a/ In thousands. b/ Revised

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

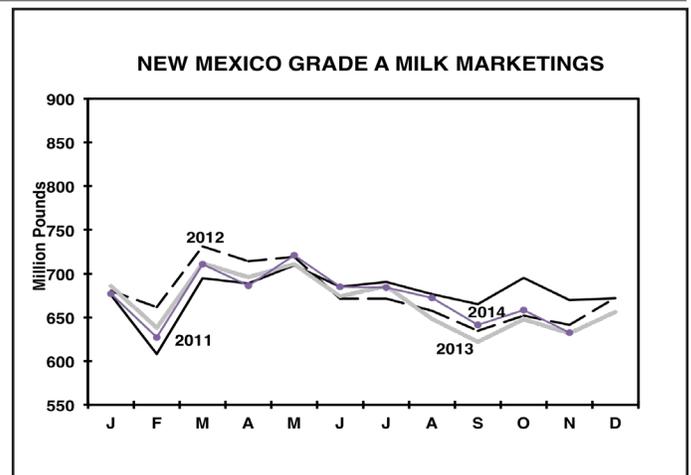
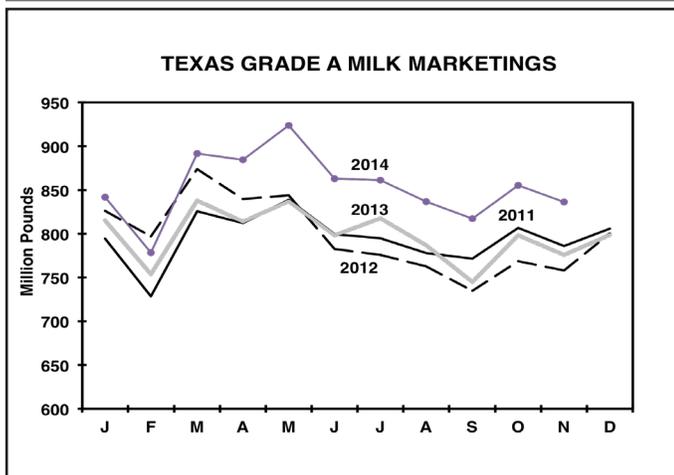
MONTH	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	2014 POUNDS	Number of Producers	PERCENT 2013/12	CHANGE 2014/13
January	826,060,689	525	815,186,323	468	841,887,929	440	- 1.32	+ 3.28
February	796,799,428	514	751,853,093	465	778,398,943	443	- 2.27 *	+ 3.53 *
March	873,809,464	515	837,918,903	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	855,185,736	437 <sup>u</sup>	+ 3.81	+ 7.17 <sup>u</sup>
November	757,867,560	471	775,927,149	444	836,209,943	436	+ 2.38	+ 7.77
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>u</sup> Correction/ Revised

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2012 THROUGH NOVEMBER 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>u</sup>	148	677,107,907	147	+ 0.81 <sup>u</sup>	- 1.25
February	661,854,191	156	637,945,230 <sup>u</sup>	148	627,152,702 <sup>u</sup>	147 <sup>u</sup>	- 0.17 <sup>*u</sup>	- 1.69 <sup>*u</sup>
March	730,980,867	156	711,813,501 <sup>u</sup>	149	711,010,066	146	- 2.62 <sup>u</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	658,497,505	145 <sup>u</sup>	- 0.68	+ 1.68 <sup>u</sup>
November	641,151,756	148	631,922,577	147	632,669,687	146	- 1.44	+ 0.12
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>u</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-----						
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
November	27.06	19.91	21.94	18.21	0.34	220.11	45.05	390.18	.00107	198.91	213.05	139.02	63.65

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

**NOVEMBER 2014  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add:	Class I Differential			\$459,412.56
	Class I Butterfat	60(a)	7,579,947	\$3.2516
	Class I Skim Per Cwt		353,172,334	\$16.2500
	Class II Butterfat	60(b)	9,175,020	\$2.2081
	Class II Nonfat Solids		9,006,085	\$1.4022
	Class III Butterfat	60(c)	4,848,037	\$2.2011
	Class III Protein		3,289,131	\$3.9018
	Class III Other Solids		5,780,638	\$0.4505
	Class IV Butterfat	60(d)	3,773,111	\$2.2011
	Class IV Nonfat Solids		8,821,684	\$1.2102
	Class II, III, & IV Somatic Cell Adjustment	60(e)		\$413,594.04
	Total Producer Milk- Product Pounds and Value		664,740,435	\$160,887,880.29
Add:	Value as for 60(f) thru 60(j)			\$222,602.04-
Less:	Total Protein Pounds	61(b)	21,800,183	<b>\$3.9018</b>
	Total Other Solids Pounds		38,351,644	<b>\$0.4505</b>
	Total Butterfat Pounds		25,376,115	<b>\$2.2011</b>
	Total Value of Somatic Cell Adjustment			\$868,999.65
	<b>Total Milk and Value</b>		664,740,435	\$1,603,542.15
Add:	Location Differential Adjustments	61(c)		\$737,915.59
	Producer - Settlement Fund Reserve	61(d)		\$205,350.18
	<b>Total Producer Milk/URSP and Value</b>		664,740,435	\$0.38312
Less:	Producer - Settlement Fund Reserve	61(f)		\$0.04312
	<b>Producer Price Differential (Dallas County)</b>			<b>\$0.34</b>
				<b>\$2,260,117.48</b>

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**SOUTHWEST MARKETING AREA**  
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**NOVEMBER 2014  
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	360,752,281	54.27	7,579,947	29.87	353,172,334	55.24
Class II	104,958,956	15.79	9,175,020	36.16	95,783,936	14.98
Class III	101,328,431	15.24	4,848,037	19.10	96,480,394	15.09
Class IV	97,700,767	14.70	3,773,111	14.87	93,927,656	14.69
Total	664,740,435	100.00	25,376,115	100.00	639,364,320	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	25,376,115	21,800,183	38,351,644	60,151,827
Percentage	3.817%	3.279%	5.769%	9.048%

Average Somatic Cell Count	228,000
Total Number of Pooled Producers	513