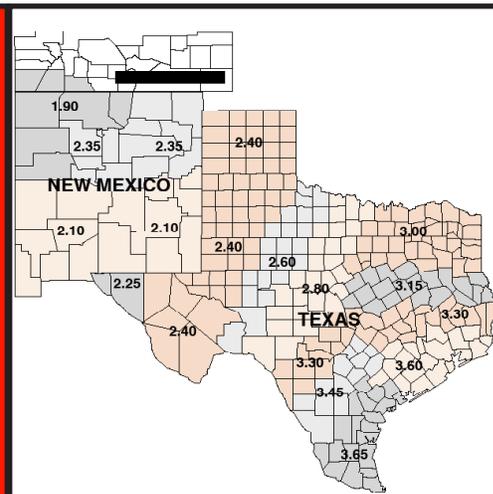


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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JULY 2014

MARKET SUMMARY FOR JUNE

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.91 for June. Butterfat price increased \$0.1692 per pound from \$2.2721 in May to the level of \$2.4413 in June. Protein price decreased \$0.6116 per pound from \$3.9553 in May to \$3.3437 in June. The Other Solids price increased \$0.0045 per pound from \$.4897 in May to \$0.4942 in June. The Somatic Cell Count adjustment rate factor for June was 0.00102 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a June statistical uniform price of \$23.27 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 \$1.16 in comparison to the statistical uniform price of \$24.43 in May.

The June Class I price decreased \$1.61 from \$27.47

in May to the June level of \$25.86. The Class II price decreased \$0.50 from \$24.44 per hundredweight in May to \$ 23.94 in June. The Class III price decreased \$1.21 from \$22.57 in May to \$21.36 in June. The Class IV price increased \$0.48 from \$22.65 in May to \$23.13 in June.

In June 548 producers delivered a total of 1,098,747,962 pounds of milk. On a daily basis this represents a decrease of 9.18 percent from the producer receipts level in May and it represents an increase of 13.08 percent when compared to the producer receipts level of June 2013.

Producer milk classified as Class I during June amounted to 28.58 percent of total producer receipts. This figure is down from 29.06 percent in May and is down from 31.84 percent in June 2013. The average butterfat test of producer milk pooled during June was 3.532 percent, average protein test was 3.065 percent, average other solids test was 5.788 percent and the average somatic cell count was 197,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jun 14	May 14	Jun 14	May 14	Jun 14	May 14
Appalachian - FO 5	25.48	26.45	-----	-----	61.86	61.31
Arizona - FO 131	23.33	23.75	-----	-----	24.91	22.32
Central - FO 32	22.75	23.58	1.39	1.01	29.36	27.44
Florida - FO 6	27.53	29.25	-----	-----	80.59	86.85
Mideast - FO 33	23.21	24.04	1.85	1.47	33.60	33.30
Northeast - FO 1	24.38	25.24	3.02	2.67	31.90	34.60
Pacific Northwest - FO 124	22.76	23.42	1.40	0.85	20.96	21.77
Southeast - FO 7	25.88	26.83	-----	-----	68.64	64.10
Southwest - FO 126	23.27	24.43	1.91	1.86	28.58	29.06
Upper Midwest - FO 30	21.79	23.00	0.43	0.43	9.10	9.90

**TEXAS GRADE A MARKETINGS BY SIZE RANGES
MAY 2014 AND MAY 2004**

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk*		Percent of Total Producers*	
	2014	2004	2014	2004	2014	2004	2014	2004
0-49,999	19	43	525,198	1,362,695	0.05	0.25	4.29	5.37
50,000 and 99,999	26	90	1,970,319	6,946,388	0.20	1.28	5.87	11.24
100,000 and 149,999	37	93	4,633,661	11,789,668	0.50	2.16	8.34	11.60
150,000 and 199,999	21	97	3,663,082	16,952,739	0.40	3.12	4.74	12.10
200,000 and 249,999	26	47	5,974,970	10,382,340	0.65	1.90	5.87	5.87
250,000 and 499,999	71	178	24,464,051	62,070,824	2.64	11.41	16.03	22.21
500,000 and 749,999	37	75	22,369,343	46,606,568	2.41	8.58	8.34	9.35
750,000 and 999,999	31	44	27,198,460	37,449,858	2.93	6.88	7.00	5.49
1,000,000 and 1,249,999	19	26	21,012,833	28,585,434	2.27	5.25	4.29	3.25
1,250,000 and 1,499,999	8	10	11,000,801	13,512,061	1.18	2.49	1.81	1.25
1,500,000 and 1,749,999	14	19	22,897,060	30,228,524	2.47	5.55	3.16	2.37
1,750,000 and 1,999,999	9	7	17,000,978	12,948,014	1.84	2.37	2.02	0.86
2,000,000 and 2,499,999	17	19	38,986,213	43,240,073	4.21	7.95	3.83	2.37
2,500,000 and 2,999,999	8	10	22,409,411	28,028,303	2.43	5.16	1.81	1.25
3,000,000 and 3,499,999	7	10	22,744,990	31,714,309	2.45	5.83	1.58	1.25
3,500,000 and 3,999,999	5	8	18,728,699	30,088,844	2.02	5.54	1.12	1.00
4,000,000 and 4,499,999	7	7	29,764,016	28,863,860	3.22	5.30	1.58	0.86
4,500,000 and 4,999,999	10	4	48,211,257	18,681,282	5.21	3.43	2.25	0.50
over 5,000,000	71	14	580,151,301	83,957,213	62.81	15.44	16.03	1.75
TOTAL	443	801	923,706,643	543,408,997	100.00	100.00	100.00	100.00

* Totals may not add due to rounding.

**NEW MEXICO GRADE A MARKETINGS BY SIZE RANGES
MAY 2014 AND MAY 2004**

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk*		Percent of Total Producers*	
	2014	2004	2014	2004	2014	2004	2014	2004
0-49,999	0	2	0	32,151	0.00	0.01	0.00	1.12
50,000 and 99,999	1	1	51,140	51,364	0.01	0.01	0.68	0.56
100,000 and 149,999	1	2	108,549	272,277	0.02	0.05	0.68	1.12
150,000 and 199,999	0	1	0	177,334	0.00	0.02	0.00	0.56
200,000 and 249,999	1	5	248,884	1,102,886	0.02	0.19	0.68	2.81
250,000 and 499,999	0	9	0	3,424,680	0.00	0.58	0.00	5.08
500,000 and 749,999	3	2	1,959,330	1,325,398	0.27	0.23	2.04	1.12
750,000 and 999,999	4	8	3,408,555	6,857,834	0.46	1.17	2.74	4.51
1,000,000 and 1,249,999	0	5	0	5,522,649	0.00	0.94	0.00	2.81
1,250,000 and 1,499,999	5	5	6,800,826	6,547,260	0.93	1.12	3.41	2.81
1,500,000 and 1,749,999	4	5	6,684,043	8,045,914	0.93	1.37	2.74	2.81
1,750,000 and 1,999,999	4	9	7,456,527	16,773,158	1.03	2.89	2.74	5.08
2,000,000 and 2,499,999	8	18	18,922,802	39,959,074	2.62	6.87	5.48	10.16
2,500,000 and 2,999,999	7	13	18,872,964	36,272,402	2.62	6.24	4.79	7.33
3,000,000 and 3,499,999	9	13	29,432,313	42,520,218	4.08	7.32	6.16	7.33
3,500,000 and 3,999,999	11	17	41,545,493	63,818,244	5.75	10.98	7.53	9.59
4,000,000 and 4,499,999	5	13	21,049,148	55,799,149	2.91	9.59	3.41	7.33
4,500,000 and 4,999,999	11	17	52,066,280	81,336,487	7.21	13.99	7.53	9.59
over 5,000,000	72	32	512,524,253	211,352,284	71.06	36.36	49.32	18.07
TOTAL	146	177	721,131,107	581,190,763	100.00	100.00	100.00	100.00

* Totals may not add due to rounding.

TOP TEN TEXAS COUNTIES a/ – JUNE 2014

Rank	County	Number of Producers	Pounds 2014	Pounds 2013	Percent Change 2013/2014
1.	Castro	13	98,788,107	93,899,419	+ 5.21
2.	Parmer	16	89,672,868	80,315,716	+ 11.65
3.	Erath	59	79,833,103	81,555,529	- 2.11
4.	Deaf Smith	11	71,970,596	64,509,555	+ 11.57
5.	Moore	9	69,443,180	52,456,443	+ 32.38
6.	Lamb	10	60,268,038	59,169,763	+ 1.86
7.	Hartley	11	59,456,300	54,009,052	+ 10.09
8.	Hale	6	46,811,943	39,372,448	+ 18.90
9.	Bailey	10	44,325,615	41,015,732	+ 8.07
10.	Comanche	17	40,386,639	36,805,349	+ 9.73
Ten County Total		162	660,956,389	603,109,006	+ 9.59
Other Counties		280	201,933,203	195,314,910	+ 3.39
Texas Total		442	862,889,592	798,423,916	+ 8.07

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

TOP NEW MEXICO COUNTIES a/ – JUNE 2014

Rank	County	Number of Producers	Pounds 2014	Pounds 2013	Percent Change 2013/2014
1.	Chaves	32	166,036,382	165,424,219	+ 0.37
2.	Curry	26	150,663,259	144,548,195	+ 4.23
3.	Roosevelt	34	144,878,259	130,385,247	+ 11.12
4.	Dona Ana	19	78,253,114	87,066,258	- 10.12
5.	Lea	13	58,897,008	55,417,857	+ 6.28
6.	Socorro	8	24,003,576	21,968,222	+ 9.26
7.	Luna	3	17,972,117	17,711,580	+ 1.47
8.	Valencia	5	17,481,772	16,940,457	+ 3.20
Ten County Total		140	658,185,487	639,462,035	+ 2.93
Other Counties		7	26,953,103	34,778,640	- 22.37
New Mexico Total		147	685,138,590	674,240,675	+ 1.62

a/ 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
April	3.80	3.54	3.21	3.08	5.77	5.78	8.99	8.86	196	150
May	3.75	3.47	3.18	3.05	5.78	5.78	8.95	8.83	182	138
June	3.67	3.39	3.11	2.99	5.78	5.78	8.89	8.77	197	152
July	3.66	3.38	3.11	2.99	5.78	5.78	8.89	8.76	227	190
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

a/ In thousands.

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

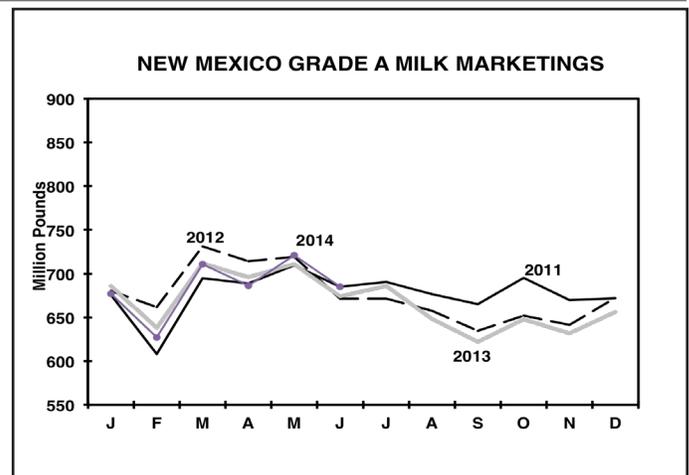
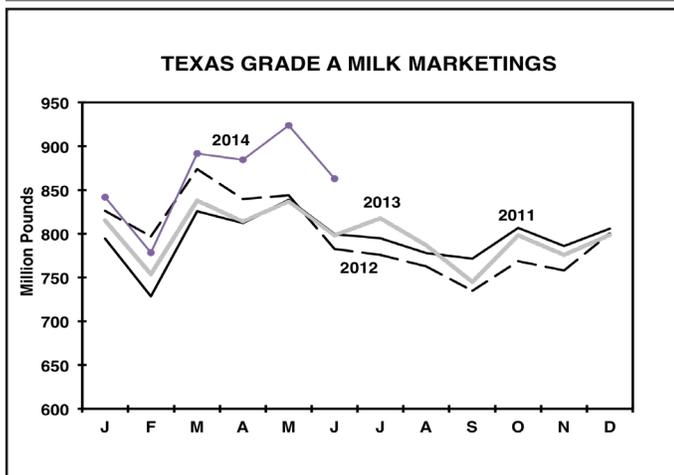
MONTH	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	2014 POUNDS	Number of Producers	PERCENT 2013/12	CHANGE 2014/13
January	826,060,689	525	815,186,323	468	841,887,929	440	- 1.32	+ 3.28
February	796,799,428	514	751,853,093	465	778,398,943	443	- 2.27 *	+ 3.53 *
March	873,809,464	515	837,918,903	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			+ 5.41	
August	762,801,472	481	786,930,152	448			+ 3.16	
September	734,843,900	481	744,663,679	446			+ 1.34	
October	768,680,316	473	797,966,297	445			+ 3.81	
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.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2012 THROUGH JUNE 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 ^u	148	677,107,907	147	+ 0.81 ^u	- 1.25
February	661,854,191	156	637,945,230 ^u	148	627,152,702 ^u	147 ^u	- 0.17 ^{*u}	- 1.69 ^{*u}
March	730,980,867	156	711,813,501 ^u	149	711,010,066	146	- 2.62 ^u	- 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			+ 2.10	
August	657,573,314	149	648,098,565	148			- 1.44	
September	634,558,129	148	621,748,466	147			- 2.02	
October	652,048,912	149	647,611,433	147			- 0.68	
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. ^u 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 <i>c/</i>			
	I <i>a/</i>	II	III	IV	P.P.D. <i>a/</i>		Other Solids	True Protein	SCC <i>b/</i> Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
April	20.66	18.73	17.59	18.10	1.45	182.27	38.63	301.30	.00087	167.66	173.10	153.12	57.41
May	20.76	18.43	18.52	18.89	1.02	178.84	38.87	335.97	.00091	164.83	182.74	163.74	57.65
June	21.93	19.14	18.02	18.88	1.69	165.99	38.59	334.55	.00089	154.22	178.10	168.78	57.38
July	21.91	19.22	17.38	18.90	2.02	156.93	39.27	322.57	.00086	146.74	171.42	172.72	58.04
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 <i>d/</i>	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

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

**JUNE 2014
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add:	Class I Differential			\$382,294.86
	Class I Butterfat	60(a)	7,035,077	\$2.2656
	Class I Skim Per Cwt		307,013,091	\$18.5800
	Class II Butterfat	60(b)	5,189,704	\$2.4483
	Class II Nonfat Solids		3,825,547	\$1.7700
	Class III Butterfat	60(c)	24,861,285	\$2.4413
	Class III Protein		21,472,141	\$3.3437
	Class III Other Solids		40,701,278	\$0.4942
	Class IV Butterfat	60(d)	1,721,809	\$2.4413
	Class IV Nonfat Solids		3,113,434	\$1.6785
	Class II, III, & IV Somatic Cell Adjustment	60(e)		\$1,274,819.80
	Total Producer Milk- Product Pounds and Value		1,098,747,962	\$256,150,163.80
Add:	Value as for 60(f) thru 60(j)			\$57,396.16
Less:	Total Protein Pounds	61(b)	33,684,729	\$3.3437
	Total Other Solids Pounds		63,606,437	\$0.4942
	Total Butterfat Pounds		38,807,875	\$2.4413
	Total Value of Somatic Cell Adjustment			\$1,702,967.81
	Total Milk and Value		1,098,747,962	\$15,696,997.33
Add:	Location Differential Adjustments	61(c)		\$5,327,842.73
	Producer - Settlement Fund Reserve	61(d)		\$469,294.61
	Total Producer Milk/URSP and Value		1,098,747,962	\$1.95623
Less:	Producer - Settlement Fund Reserve	61(f)		\$0.04623
	Producer Price Differential (Dallas County)			\$1.91
				\$20,986,086.07

**THE MARKET ADMINISTRATOR'S
REPORT**

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

PRSR STD
U.S. POSTAGE
PAID
Carrollton, TX
Permit No. 343

RETURN SERVICE REQUESTED

**JUNE 2014
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	314,048,168	28.58	7,035,077	18.13	307,013,091	28.97
Class II	46,911,830	4.27	5,189,704	13.37	41,722,126	3.94
Class III	702,013,570	63.89	24,861,285	64.06	677,152,285	63.88
Class IV	35,774,394	3.26	1,721,809	4.44	34,052,585	3.21
Total	1,098,747,962	100.00	38,807,875	100.00	1,059,940,087	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	38,807,875	33,684,729	63,606,437	97,291,166
Percentage	3.532%	3.065%	5.788%	8.854%

Average Somatic Cell Count	197,000
Total Number of Pooled Producers	548