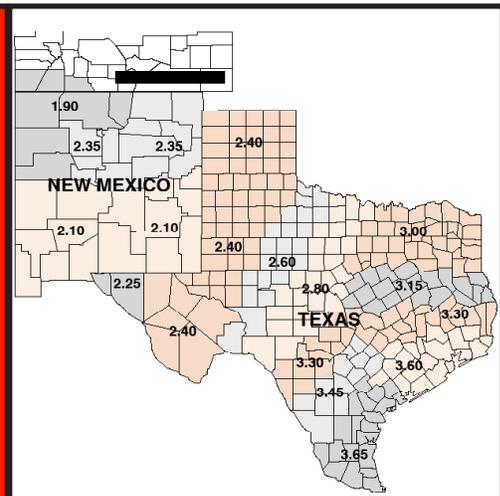


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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**** CORRECTED ****

JANUARY 2015

MARKET SUMMARY FOR DECEMBER

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$2.32 for December. Butterfat price decreased \$0.1020 per pound from \$2.2011 in November to the level of \$2.0991 in December. Protein price decreased \$0.1631 per pound from \$3.9018 in November to \$2.7387 in December. The Other Solids price decreased \$0.0509 per pound from \$0.4505 in November to \$0.3996 in December. The Somatic Cell Count adjustment rate factor for December was 0.00087 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a December statistical uniform price of \$20.14 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 \$2.14 in comparison to the statistical uniform price of \$22.28 in November.

The December Class I price decreased \$1.53 from

\$27.06 in November to the December level of \$25.53. The Class II price decreased \$0.82 from \$19.91 per hundredweight in November to \$19.09 in December. The Class III price decreased \$4.12 from \$21.94 in November to \$17.82 in December. The Class IV price decreased \$1.51 from \$18.21 in November to \$16.70 in December.

In December 559 producers delivered a total of 1,251,479,143 pounds of milk. On a daily basis this represents an increase of 82.19 percent from the producer receipts level in November and it represents an increase of 24.78 percent when compared to the producer receipts level of December 2013.

Producer milk classified as Class I during December amounted to 29.05 percent of total producer receipts. This figure is down from 54.27 percent in November and is down from 37.03 percent in December 2013. The average butterfat test of producer milk pooled during December was 3.829 percent, average protein test was 3.249 percent, average other solids test was 5.755 percent and the average somatic cell count was 209,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Dec 14	Nov 14	Dec 14	Nov 14	Dec 14	Nov 14
Appalachian - FO 5	23.52	24.16	-----	-----	63.39	70.60
Arizona - FO 131	19.42	21.19	-----	-----	26.89	27.89
Central - FO 32	19.51	21.38	1.69	-0.56	31.60	36.83
Florida - FO 6	26.45	26.64	-----	-----	84.70	84.51
Mideast - FO 33	19.74	21.20	1.92	0.74	32.70	36.20
Northeast - FO 1	21.02	22.26	3.20	0.32	37.00	36.30
Pacific Northwest - FO 124	18.87	20.18	1.05	-1.76	24.30	37.99
Southeast - FO 7	24.66	24.85	-----	-----	77.80	75.12
Southwest - FO 126	20.14	22.98	2.32	0.34	29.05	54.27
Upper Midwest - FO 30	18.47	21.75	0.65	-0.19	10.90	12.40

DAIRY PRODUCTS NOVEMBER 2014 HIGHLIGHTS

Total cheese output (excluding cottage cheese) was 949 million pounds, 2.9 percent above November 2013 but 3.3 percent below October 2014.

Italian type cheese production totaled 410 million pounds, 5.1 percent above November 2013 but 3.7 percent below October 2014.

American type cheese production totaled 372 million pounds, 4.5 percent above November 2013 but 2.9 percent below October 2014.

Butter production was 136 million pounds, 4.7 percent below November 2013 and 5.7 percent below October 2014.

Dry milk powders (comparisons with November 2013) Nonfat dry milk, human - 151 million

pounds, up 48.9 percent. Skim milk powders - 30.6 million pounds, down 45.5 percent.

Whey products (comparisons with November 2013) Dry whey, total - 70.1 million pounds, down 5.5 percent. Lactose, human and animal - 93.7 million pounds, up 8.0 percent. Whey protein concentrate, total - 44.9 million pounds, up 3.9 percent.

Frozen products (comparisons with November 2013) Ice cream, regular (hard) - 52.6 million gallons, down 0.5 percent. Ice cream, lowfat (total) - 26.4 million gallons, up 5.1 percent. Sherbet (hard) - 2.75 million gallons, up 9.6 percent. Frozen yogurt (total) - 4.00 million gallons, down 10.9 percent.

Released January 6, 2015, by National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

2014 ANNUAL PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES *

2014 Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	4,309,748,408	35.51%	90,043,350	20.21%	4,219,705,058	36.09%
Class II	962,298,725	7.93%	90,459,316	20.30%	871,839,409	7.46%
Class III	5,806,919,235	47.84%	219,358,932	49.23%	5,587,560,303	47.79%
Class IV	1,058,225,524	8.72%	45,716,719	10.26%	1,012,508,805	8.66%
Total	12,137,191,892	100.00%	445,578,317	100.00%	11,691,613,575	100.00%

2014 Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	445,578,317	383,256,731	699,556,491	1,082,813,222
Percentage	3.671%	3.158%	5.764%	8.921%

Average Somatic Cell Count	209,000
Total Number of Pooled Producers	510

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. 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/ – DECEMBER 2014

Rank	County	Number of Producers	Pounds 2014	Pounds 2013	Percent Change 2013/2014
1.	Parmer	16	96,767,980	79,559,285	+ 21.63
2.	Castro	13	93,405,889	91,549,908	+ 2.03
3.	Erath	55	88,313,451	82,902,661	+ 6.53
4.	Moore	9	76,421,388	53,513,740	+ 42.81
5.	Deaf Smith	13	70,061,863	64,396,188	+ 8.80
6.	Lamb	10	60,802,895	56,672,773	+ 7.29
7.	Hartley	11	58,626,789	55,305,790	+ 6.00
8.	Bailey	10	46,508,334	40,756,807	+ 14.11
9.	Hale	6	43,884,651	43,710,729	+ 0.40
10.	Comanche	16	42,555,801	40,234,297	+ 5.77
Ten County Total		159	677,349,041	608,602,178	+ 11.30
Other Counties		276	199,177,279	189,896,028	+ 4.89
Texas Total		435	876,526,320	798,498,206	+ 9.77

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

TOP NEW MEXICO COUNTIES a/ – DECEMBER 2014

Rank	County	Number of Producers	Pounds 2014	Pounds 2013 b/ Corrected	Percent Change 2013/2014
1.	Curry	29	160,306,647	136,470,537	+ 17.47
2.	Chaves	32	151,691,982	163,524,134	- 7.24
3.	Roosevelt	32	125,406,807	130,104,375	- 3.61
4.	Dona Ana	18	82,586,894	81,765,516	+ 1.00
5.	Lea	13	56,424,048	59,190,447	- 4.67
6.	Socorro	8	22,215,589	21,302,333	+ 4.29
7.	Valencia	5	17,097,134	15,431,128	+ 10.80
8.	Luna	3	16,534,310	16,959,002	- 2.50
9.	Eddy	3	16,262,820	16,896,568	- 3.75
Top County Total		143	648,526,231	641,644,040	+ 1.07
Other Counties		4	14,013,707	14,406,419	- 2.73
New Mexico Total		147	662,539,938	656,050,459	+ 0.99

a/ Includes all known Grade "A" milk produced on farms located in New Mexico. b/ Corrected

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
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
December	3.83	3.70	3.25	3.20	5.76	5.76	9.01	8.95	208	190
Averages 2014	3.81	3.55	3.23	3.10	5.75	5.77	8.98	8.87	215	182

a/ In thousands.

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

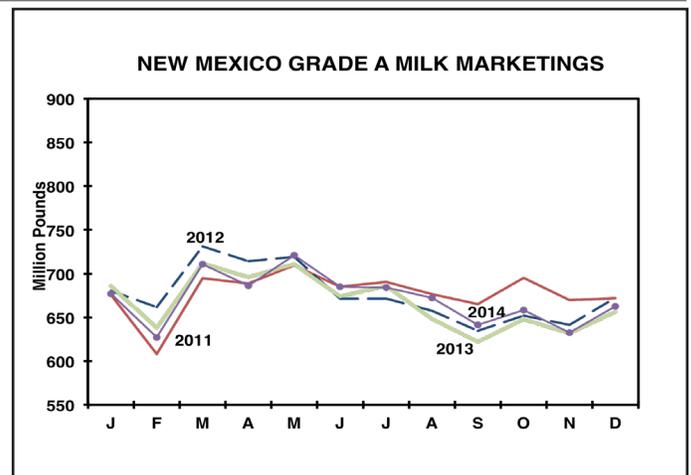
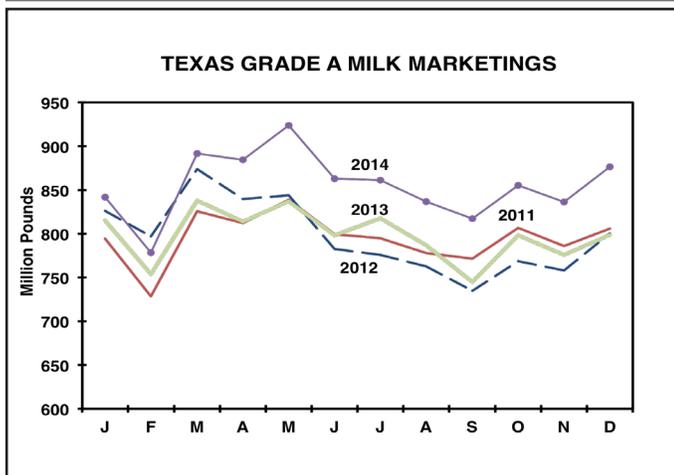
MONTH	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	2014 POUNDS	Number of Producers	PERCENT 2013/12	CHANGE 2014/13
January	826,060,689	525	815,186,323	468	841,887,929	440	- 1.32	+ 3.28
February	796,799,428	514	751,853,093	465	778,398,943	443	- 2.27 *	+ 3.53 *
March	873,809,464	515	837,918,903	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 ^u	+ 3.81	+ 7.17 ^u
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>876,526,320</u>	435	<u>- 0.21</u>	<u>+9.77</u>
Years Total	9,562,956,681		9,576,147,464		10,301,778,107		+ 0.14	+ 7.58

* Based on average daily deliveries. ^u Correction/ Revised

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2012 THROUGH DECEMBER 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	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 ^u	- 0.68	+ 1.68 ^u
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>662,539,938</u>	147	<u>- 2.44</u>	<u>+ 0.99</u>
Years Total	8,101,634,095		8,007,497,996		8,064,117,057		- 1.16	+ 0.71

* 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 ^{c/}			
	I ^{a/}	II	III	IV	P.P.D. ^{a/}		Other Solids	True Protein	SCC ^{b/} Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
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 ^{d/}	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
December	25.53	19.09	17.82	16.70	2.32	209.91	39.96	273.87	.00087	190.49	173.62	125.54	58.71
Averages 2014 ^{d/}	26.29	23.34	22.34	22.09	1.35	237.92	46.84	379.35	.00108	213.61	215.51	176.82	65.38

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

**DECEMBER 2014
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add:	Class I Differential			\$450,341.80
	Class I Butterfat	60(a)	7,776,681	\$2.2235
	Class I Skim Per Cwt		355,728,672	\$18.3900
	Class II Butterfat	60(b)	7,675,933	\$2.1061
	Class II Nonfat Solids		6,160,784	\$1.3489
	Class III Butterfat	60(c)	25,400,734	\$2.0991
	Class III Protein		21,178,569	\$2.7387
	Class III Other Solids		37,459,513	\$0.3996
	Class IV Butterfat	60(d)	7,068,303	\$2.0991
	Class IV Nonfat Solids		14,566,244	\$1.0767
	Class II, III, & IV Somatic Cell Adjustment	60(e)		\$1,157,250.91
	Total Producer Milk- Product Pounds and Value		1,251,479,143	\$265,603,908.66
Add:	Value as for 60(f) thru 60(j)			\$29,204.22
Less:	Total Protein Pounds	61(b)	40,671,605	\$2.7387
	Total Other Solids Pounds		72,026,210	\$0.3996
	Total Butterfat Pounds		47,921,651	\$2.0991
	Total Value of Somatic Cell Adjustment			\$1,538,282.55
	Total Milk and Value		1,251,479,143	\$23,333,494.53
Add:	Location Differential Adjustments	61(c)		\$5,990,840.95
	Producer - Settlement Fund Reserve	61(d)		\$264,359.66
	Total Producer Milk/URSP and Value		1,251,479,143	\$2.36429
Less:	Producer - Settlement Fund Reserve	61(f)		\$0.04429
	Producer Price Differential (Dallas County)			\$2.32
				\$29,034,316.12

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DECEMBER 2014
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	363,505,353	29.05	7,776,681	16.23	355,728,672	29.56
Class II	73,487,606	5.87	7,675,933	16.02	65,811,673	5.47
Class III	651,024,819	52.02	25,400,734	53.00	625,624,085	51.98
Class IV	163,461,365	13.06	7,068,303	14.75	156,393,062	12.99
Total	1,251,479,143	100.00	47,921,651	100.00	1,203,557,492	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	47,921,651	40,671,605	72,026,210	112,697,815
Percentage	3.829%	3.249%	5.755%	9.005%

Average Somatic Cell Count	209,000
Total Number of Pooled Producers	559