



Market Administrator's Report Southwest Marketing Area Federal Order 126



Cary Hunter, Market Administrator

Volume 44, Issue 10

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MARKET SUMMARY FOR SEPTEMBER

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$0.22 for September. Butterfat price decreased \$0.0567 per pound from \$2.6009 in August to the level of \$2.5442 in September. Protein price increased \$0.3784 per pound from \$1.6245 in August to \$2.0029 in September. The Other Solids price increased \$0.0357 per pound from \$0.1741 in August to \$0.2098 in September. The Somatic Cell Count Adjustment rate factor for September was 0.00083 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a September statistical uniform price of \$16.31 for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of \$0.35 in comparison to the statistical uniform price of \$15.96 in August.

The September Class I price increased \$0.70 from \$17.15 in August to the September level of \$17.85. The Class II price increased \$0.06 from \$15.07 in August to \$15.13 in September. The Class III price increased \$1.14 from \$14.95 in August to \$16.09 in September. The Class IV price increased \$0.18 from \$14.63 in August to \$14.81 in September.

In September, 444 producers delivered a total of 755,861,186 pounds of milk. On a daily basis, this represents a decrease of 39.29% from the producer receipts level in August and it represents a decrease of 36.72% when compared to the producer receipts level of September 2017.

Producer milk classified as Class I during September amounted to 45.77% of total producer receipts. This figure is up from 28.08% in August and is up from 30.24% in September 2017. The average butterfat test of producer milk pooled during September was 3.912%, average protein test was 3.204%, average other solids test was 5.753% and the average somatic cell count was 229,000

P.O. Box 110939
Carrollton, TX 75011-0939
(972) 245-6060
(972) 245-3211 Fax
www.dallasma.com
Email:
sw.order@dallasma.com

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Federal Order	Statistical Uniform		Statistical Uniform		Class I Utilization	
	Sep-18	Aug-18	Sep-18	Aug-18	Sep-18	Aug-18
Appalachian - F.O. 5	17.35	17.03	N/A	N/A	69.42	72.47
Arizona - F.O. 131	15.85	15.32	N/A	N/A	28.34	26.47
Central - F.O. 32	15.64	15.09	(0.45)	0.14	35.80	30.49
Florida - F.O. 6	19.23	18.89	N/A	N/A	81.88	83.55
Mideast - F.O. 33	15.83	15.35	(0.26)	0.40	36.10	32.40
Northeast - F.O. 1	16.71	16.21	0.62	1.26	33.20	31.10
Pacific NW - F.O. 124	15.44	15.07	(0.65)	0.12	24.19	23.99
Southeast - F.O. 7	17.94	17.53	N/A	N/A	74.76	75.65
Southwest - F.O. 126	16.31	15.96	0.22	1.01	45.77	28.08
Upper Midwest - F.O. 30	16.02	15.08	(0.07)	0.13	10.40	8.60

TOP TEN TEXAS COUNTIES - SEPTEMBER 2018



County	# Producers	Pounds 2018	Pounds 2017	% Change 2017/2018
HARTLEY	15	118,169,322	88,252,224	33.90
CASTRO	13	115,619,967	103,258,642	11.97
PARMER	15	113,496,369	108,599,720	4.51
ERATH	52	92,219,720	80,379,117	14.73
MOORE	9	88,591,350	84,642,580	4.67
DEAF SMITH	14	81,738,388	73,153,036	11.74
LAMB	13	73,829,361	68,102,593	8.41
BAILEY	10	50,527,050	48,019,899	5.22
DALLAM	5	48,838,330	51,495,900	(5.16)
HALE	<u>6</u>	<u>48,507,502</u>	<u>44,885,011</u>	<u>8.07</u>
Sum	152	831,537,359	750,788,722	10.76
Other Counties	230	<u>206,480,585</u>	<u>200,534,085</u>	<u>2.97</u>
Texas Total	382	1,038,017,944	951,322,807	9.11

1/ Revised

TOP TEN NEW MEXICO COUNTIES - SEPTEMBER 2018

County	# Producers	Pounds 2018	Pounds 2017	% Change 2017/2018
CURRY	26	167,467,742	155,082,938	7.99
CHAVES	30	166,061,513	159,672,994	4.00
ROOSEVELT	32	125,615,429	123,865,992	1.41
LEA	12	64,142,404	61,150,919	4.89
DONA ANA	10	39,566,934	61,554,728	(35.72)
SOCORRO	7	22,191,639	22,805,135	(2.69)
VALENCIA	4	19,837,016	18,546,059	6.96
EDDY	3	15,960,140	15,754,620	1.30
LUNA	<u>3</u>	<u>15,786,190</u>	<u>14,568,531</u>	<u>8.36</u>
Sum	127	636,629,007	633,001,916	0.57
Other Counties	<u>4</u>	<u>13,699,785</u>	<u>13,680,729</u>	<u>0.14</u>
NM Total	131	650,328,792	646,682,645	0.56

1/ Revised



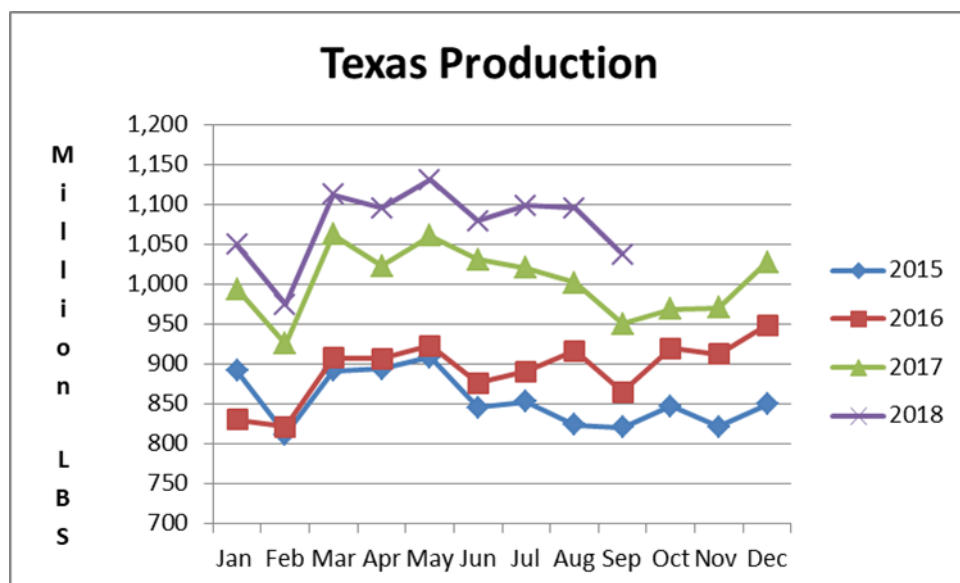
TEXAS & NEW MEXICO COMPONENT TEST

Month	Butterfat		Protein		Other Solids		S-N-F		SCC (thousands)	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
Sep-17	4.04	3.64	3.32	3.10	5.70	5.69	9.02	8.80	253	239
Oct-17	4.14	3.73	3.40	3.20	5.71	5.70	9.10	8.90	256	241
Nov-17	4.19	3.77	3.42	3.24	5.71	5.71	9.13	8.95	222	201
Dec-17	4.21	3.80	3.41	3.24	5.73	5.71	9.14	8.95	207	187
Jan-18	4.24	3.83	3.40	3.22	5.73	5.72	9.13	8.94	209	186
Feb-18	4.20	3.77	3.35	3.15	5.75	5.75	9.10	8.90	209	184
Mar-18	4.11	3.71	3.30	3.11	5.75	5.74	9.05	8.85	191	161
Apr-18	4.07	3.66	3.30	3.09	5.76	5.75	9.05	8.84	184	159
May-18	3.97	3.60	3.23	3.04	5.78	5.76	9.01	8.80	188	163
Jun-18	3.91	3.56	3.18	2.99	5.78	5.77	8.96	8.75	197	176
Jul-18	3.91	3.56	3.17	2.98	5.78	5.77	8.95	8.75	208	192
Aug-18	3.95	3.60	3.21	3.01	5.78	5.76	8.99	8.78	226	223
Sep-18	4.04	3.65	3.26	3.08	5.77	5.76	9.03	8.84	225	223

TOTAL POUNDS MARKETING BY PRODUCERS LOCATED IN TEXAS

Month	2016 Pounds	# of Prod.	2017 Pounds	# of Prod.	2018 Pounds	# of Prod.	Percent 2017/16	Percent 2018/17
Jan	831,826,917 1/	415	991,393,302 1/	393	1,050,333,161	384	19.18 1/	5.95
Feb	823,216,789 1/	416	925,501,542	396	975,309,127	385	1.07 1/	5.38
Mar	912,132,997	417	1,062,555,132	394	1,113,314,959	389	2.30	4.78
Apr	907,074,105	413	1,022,864,482	395	1,095,736,716	385	1.42	7.12
May	927,443,360 1/	409 1/	1,060,879,571	397	1,131,334,519	386	2.02 1/	6.64
Jun	881,853,699 1/	409 1/	1,013,033,826	396	1,079,879,441	386	4.30 1/	6.60
Jul	890,944,786	403	1,021,251,709	397	1,098,726,784	384	14.63	7.59
Aug	916,563,875 1/	401	1,002,398,166	394	1,095,584,510	384	9.36 1/	9.30
Sep	864,648,546	404	951,322,807	392	1,038,017,944	382	10.02	9.11
Oct	920,432,936	395	969,258,889	390			5.30	
Nov	913,071,760	393	970,837,826	389			6.33	
Dec	<u>949,157,928</u>	394	<u>1,027,758,733</u>	390			<u>8.28</u>	
Total	10,738,367,698 1/		12,019,055,985		9,678,237,161		11.93 1/	

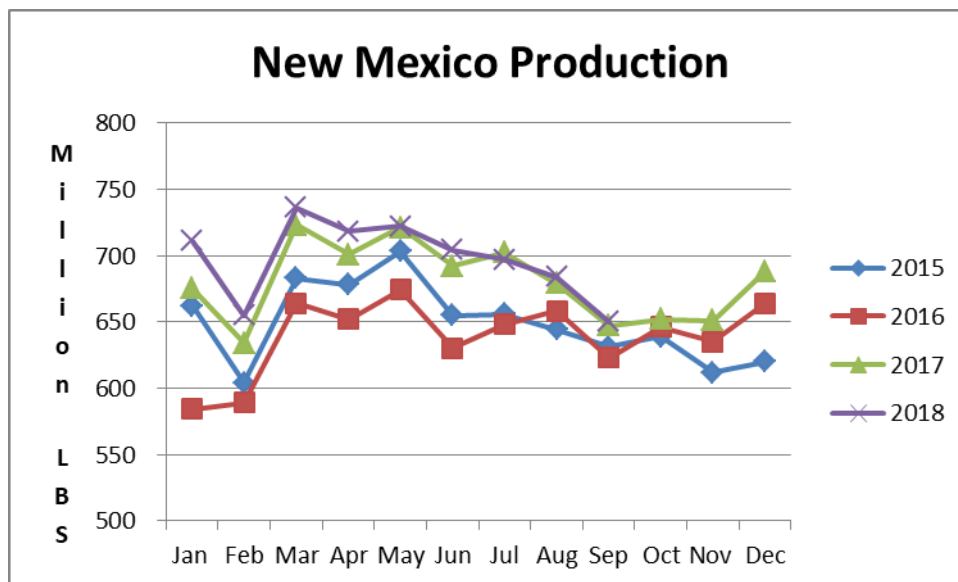
1/ Revised



TOTAL POUNDS MARKETED BY PRODUCERS LOCATED IN NEW MEXICO

Month	2016 Pounds	# of Prod.	2017 Pounds	# of Prod.	2018 Pounds	# of Prod.	Percent 2017/16	Percent 2018/17
Jan	584,313,578	142	675,205,449	141	710,727,459	138	15.56	5.26
Feb	589,020,838	144	633,852,861	140	655,095,625	139	7.61	3.35
Mar	664,061,407	142	723,267,029	140	736,163,840	138	8.92	1.78
Apr	652,104,207	142	700,674,724	139	718,394,667	138	7.45	2.53
May	674,389,481	142	721,744,106	138	721,582,856	137	7.02	(0.02)
Jun	630,271,746	141	692,450,722	138	703,914,227	135	9.87	1.66
Jul	647,966,702	141	701,503,956	137	697,176,017	136	8.26	(0.62)
Aug	657,570,904	142	679,307,966	138	683,800,715	133	3.31	0.66
Sep	622,702,058	141	646,682,645	138	650,328,792	131	3.85	0.56
Oct	645,565,024	140	652,346,472	138			1.05	
Nov	634,952,134	140	651,243,891	138			2.57	
Dec	<u>663,632,934</u>	140	<u>687,961,902</u>	138			<u>3.67</u>	
Total	7,666,551,013	1/	8,166,241,723		6,277,184,198		6.52	

1/ Revised



CLASS PRICES & PRODUCER PRICE DIFFERENTIAL

Month	CLASS I PRICE a/	CLASS II PRICE	CLASS III PRICE	CLASS IV PRICE	PPD a/	Statistical Uniform
Sep-17	19.71	16.80	16.36	15.86	1.22	17.58
Oct-17	19.44	15.95	16.69	14.85	0.47	17.16
Nov-17	19.41	15.32	16.88	13.99	(0.12)	16.76
Dec-17	19.88	14.49	15.44	13.51	0.92	16.36
Jan-18	18.44	14.11	14.00	13.13	1.35	15.35
Feb-18	17.25	13.44	13.40	12.87	1.20	14.60
Mar-18	16.36	13.88	14.22	13.04	0.57	14.79
Apr-18	17.10	14.03	14.47	13.48	0.77	15.24
May-18	17.44	14.47	15.18	14.57	0.84	16.02
Jun-18	18.25	15.48	15.21	14.91	1.22	16.43
Jul-18	18.36	15.20	14.10	14.14	1.67	15.77
Aug-18	17.15	15.07	14.95	14.63	1.01	15.96
Sep-18	17.85	15.13	16.09	14.81	0.22	16.31

a/ Subject to location adjustments

COMPONENT PRICES & AMS PRODUCT PRICES

Month	COMPONENT PRICES**				AMS PRODUCT PRICES**			
	BUTTER- FAT	TRUE PROTEIN	OTHER SOLIDS	SCC ADJ RATE	GRADE AA BUTTER	CHEDDAR CHEESE	NFDM POWDER	DRY WHEY
Sep-17	2.8559	1.6988	0.2241	0.00083	2.5298	1.6608	0.8499	0.4167
Oct-17	2.6646	2.1084	0.1853	0.00086	2.3718	1.7254	0.8099	0.3790
Nov-17	2.5546	2.3412	0.1644	0.00088	2.2810	1.7617	0.7553	0.3587
Dec-17	2.4951	2.0378	0.1070	0.00082	2.2319	1.6481	0.7237	0.3030
Jan-18	2.4531	1.6612	0.0787	0.00076	2.1972	1.5175	0.6966	0.2755
Feb-18	2.3490	1.6265	0.0550	0.00074	2.1112	1.4727	0.7084	0.2525
Mar-18	2.4273	1.8066	0.0556	0.00078	2.1759	1.5542	0.6963	0.2531
Apr-18	2.5113	1.7810	0.0619	0.00079	2.2452	1.5737	0.7134	0.2592
May-18	2.6239	1.8609	0.0742	0.00082	2.3382	1.6353	0.7937	0.2711
Jun-18	2.6692	1.7478	0.1128	0.00081	2.3756	1.6150	0.8150	0.3086
Jul-18	2.5287	1.4827	0.1422	0.00074	2.2596	1.4868	0.7824	0.3372
Aug-18	2.6009	1.6245	0.1741	0.00078	2.3192	1.5544	0.8111	0.3681
Sep-18	2.5442	2.0029	0.2098	0.00083	2.2724	1.6533	0.8548	0.4028

** Prices shown in dollars per hundred pounds (cwt)

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL SEPTEMBER 2018

		Pounds	Price	Value
Add: Class I Differential				\$383,459.84
Class I Butterfat	60(a)	7,217,526	\$ 2.6418	\$19,067,260.19
Class I Skim Per Cwt		338,735,541	\$ 8.9200	\$30,215,210.25
Class II Butterfat	60(b)	11,800,340	\$ 2.5512	\$30,105,027.43
Class II Nonfat Solids		8,686,368	\$ 0.7144	\$6,205,541.31
Class III Butterfat	60(c)	3,112,912	\$ 2.5442	\$7,919,870.72
Class III Protein		1,459,489	\$ 2.0029	\$2,923,210.52
Class III Other Solids		2,636,749	\$ 0.2098	\$553,189.95
Class IV Butterfat	60(d)	7,444,772	\$ 2.5442	\$18,940,988.94
Class IV Nonfat Solids		23,462,933	\$ 0.6801	\$15,957,140.74
Class II, III, & IV Somatic Cell Adjustment	60(e)			\$476,078.17
Total Producer Milk- Product Pounds and Value		755,861,186		\$132,746,978.06
Add: Value as for 60(f) thru 60(j)				\$19,651.94
Less: Total Protein Pounds	61(b)	24,219,112	\$ 2.0029	\$48,508,459.44
Total Other Solids Pounds		43,486,060	\$ 0.2098	\$9,123,375.40
Total Butterfat Pounds		29,575,550	\$ 2.5442	\$75,246,114.30
Total Value of Somatic Cell Adjustment				\$760,592.97
Total Milk and Value		755,861,186		\$871,912.11-
Add: Location Differential Adjustments	61(c)			\$2,381,584.84
Producer - Settlement Fund Reserve	61(d)			\$470,187.53
Total Product Milk/URSP and Value		755,861,186	\$ 0.26193	\$1,979,860.26
Less: Producer - Settlement Fund Reserve	61(f)		\$ 0.04193	\$316,965.65
Producer Price Differential (Dallas County)			\$.22	\$1,662,894.61

Average Somatic Cell Count	229,000
Total Number of Producers	444

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
Class I	345,953,067	45.77	7,217,526	24.40	338,735,541	46.64
Class II	105,247,181	13.92	11,800,340	39.90	93,446,841	12.87
Class III	47,222,733	6.25	3,112,912	10.53	44,109,821	6.07
Class IV	257,438,205	34.06	7,444,772	25.17	249,993,433	34.42
Total	755,861,186	100.00	29,575,550	100.00	726,285,636	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	29,575,550	24,219,112	43,486,060	67,705,172
Average Test	3.912%	3.204%	5.753%	8.957%

Market Administrator's Report

July Milk Sales

During July 2018, 3.6 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 2.2 percent lower than July 2017. Estimated sales of total conventional fluid milk products decreased 2.6 percent from July 2017 and estimated sales of total organic fluid milk products increased 4.3 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, July 2018, with Comparisons ¹

Product Name	Sales ⁴		Change from: ²	
	July	Year to Date	Previous Year	Year to Date
	<i>(million pounds)</i>		<i>(percent)</i>	
Conventional Production Practice				
Whole Milk	1,228	8,613	0.7	1.8
Flavored Whole Milk	52	388	2.2	4.0
Reduced Fat Milk (2%)	1,190	8,478	-3.2	-2.9
Low Fat Milk (1%)	432	3,471	-7.1	-5.3
Fat-Free Milk (Skim)	288	2,194	-10.2	-9.5
Flavored Fat-Reduced Milk	171	2,094	0.5	-2.7
Buttermilk	40	283	0.8	-2.4
Other Fluid Milk Products	5	24	77.6	-23.8
Total Fat-Reduced Milk ³	2,081	16,237	-4.8	-4.3
Total Conventional Milk Products	3,406	25,545	-2.6	-2.2
Organic Production Practice				
Whole Milk	85	607	7.2	5.2
Reduced Fat Milk (2%)	66	478	8.3	4.1
Low Fat Milk (1%)	31	222	12.1	-3.4
Fat-Free Milk (Skim)	18	136	-10.8	-15.4
Flavored Fat-Reduced Milk	7	57	-32.9	-17.9
Other Fluid Milk Products	0	0	-83.8	-70.4
Total Fat-Reduced Milk ³	123	892	2.5	-2.8
Total Organic Milk Products	208	1,500	4.3	0.2
Total Fluid Milk Products	3,614	27,045	-2.2	-2.1

¹ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. ² Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. ³ Both conventional and organic fat-reduced milk categories are the total of reduced fat, lowfat, skim and flavored fat-reduced milk. ⁴ Data may not add due to rounding. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352.

Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, July 2018, with Comparisons ¹

Marketing Area	Order Number	Sales ³		Change from: ²	
		July	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	611	4,575	-3.3	-2.2
Appalachian	005	253	1,858	0.5	1.7
Florida	006	208	1,565	-2.4	-2.1
Southeast	007	331	2,478	-4.7	-2.7
Upper Midwest	030	268	2,019	-3.2	-2.5
Central	032	306	2,300	-1.9	-2.7
Mideast	033	395	2,969	-3.3	-2.7
Pacific Northwest	124	148	1,083	-2.4	-3.6
Southwest	126	325	2,500	1.2	-1.3
Arizona	131	80	600	3.5	2.8
California	---	397	2,935	-2.4	-3.4
All Orders (Total)		2,927	21,947	-2.2	-1.9
All Areas (Total)		3,325	24,882	-2.2	-2.1

¹ These figures are representative of the consumption of total fluid milk products in the respective area; see footnote ³ above for the products included. ² Percent changes, as well as sales volumes, are shown on an unadjusted basis. ³ Data may not add due to rounding.

Source: U.S. Department of Agriculture; California Department of Food and Agriculture.

Source: Dairy Market News, September 10-14, 2018, Volume 85, Report 37



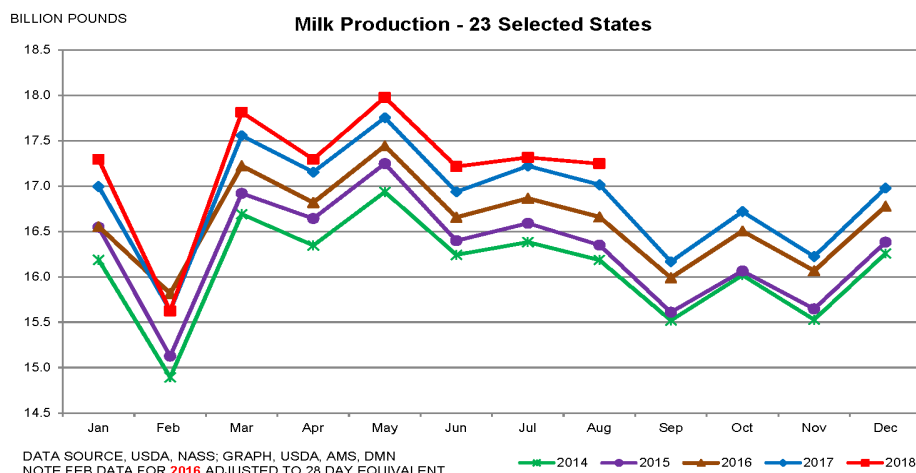
August Milk Production

Milk production in the 23 major States during August totaled 17.2 billion pounds, up 1.4 percent from August 2017. July revised production, at 17.3 billion pounds, was up 0.5 percent from July 2017. The July revision represented an increase of 16 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,974 pounds for August, 28 pounds above August 2017. This is the highest production per cow for the month of August since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.74 million head, 3,000 head less than August 2017, but 4,000 head more than July 2018.

Source: Dairy Market News, September 17-21, 2018, Volume 85, Report 38



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P.O. Box 110939
Carrollton, TX 75011-0939
(972) 245-6060
(972) 245-3211 Fax
www.dallasma.com
Email:
sw.order@dallasma.com

