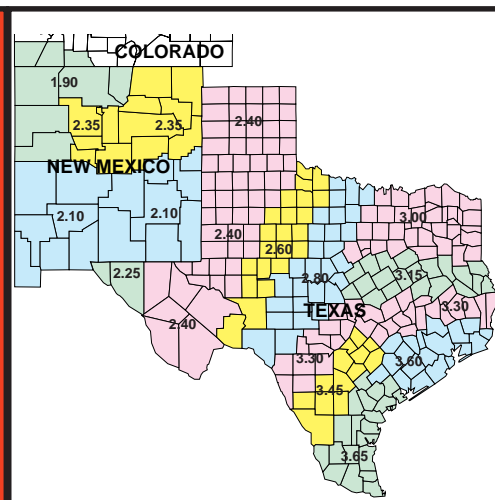


# THE MARKET ADMINISTRATOR'S *REPORT*



## 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 \$1.79 for January. Butterfat price increased \$0.0524 per pound from \$1.4322 in December to the level of \$1.4846 in January. Protein price decreased \$0.0122 cents per pound from \$1.9782 in December to \$1.9660 in January. January's Other Solids price decreased \$0.0125 per pound from the previous month to \$0.1392. The Somatic Cell Count adjustment rate factor for January was .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 \$13.66 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of 21 cents in comparison to the statistical blend price of \$13.45 in December.

The January Class I price decreased 2 cents from \$14.98 in December to the January level of \$14.96. The Class II price for January of \$12.69 per hundred-weight increased \$0.08 from \$12.61 in December. January's Class III price increased \$0.07 from \$11.80 in December to \$11.87 in January. The Class IV price increased \$0.14 from \$11.79 in December to \$11.93 in January.

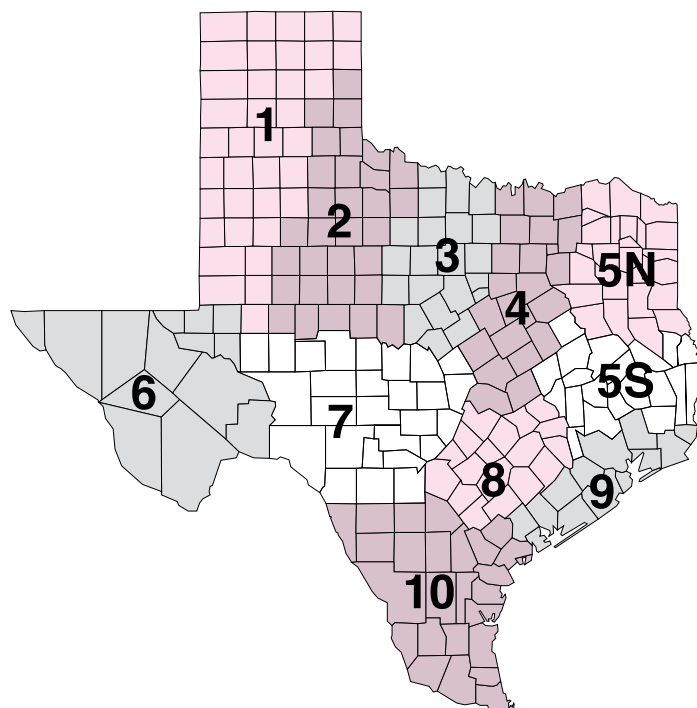
In January 910 producers delivered a total of 794,342,053 pounds of milk. On a daily basis this represents an increase of 3.60 percent from the producer receipts level in December 2001 and it represents an increase of 6.19 percent when compared to the producer receipts level of January 2001.

Producer milk classified as Class I during January amounted to 46.00 percent of total producer receipts. This figure is up from 43.29 percent in December but it is down from 47.83 percent in January 2001. The average butterfat test of producer milk pooled during January was 3.744 percent, average protein test was 3.103 percent, average other solids test was 5.692 percent and the average somatic cell count was 335,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jan 02	Dec 01	Jan 02	Dec 01	Jan 02	Dec 01
Appalachian	14.41	14.16	-----	-----	68.00	65.47
Arizona-Las Vegas	12.81	12.71	-----	-----	32.45	33.26
Central	12.61	12.46	0.74	0.66	28.54	26.75
Florida	15.76	15.58	-----	-----	90.29	88.81
Mideast	12.88	12.64	1.01	0.84	40.50	36.10
Northeast	13.81	13.72	1.94	1.92	41.90	43.80
Pacific Northwest	12.53	12.35	0.66	0.55	29.74	28.29
Southeast	14.13	13.95	-----	-----	57.99	57.25
<b>Southwest</b>	<b>13.66</b>	<b>13.45</b>	<b>1.79</b>	<b>1.65</b>	<b>46.00</b>	<b>43.29</b>
Upper Midwest	12.30	12.19	0.43	0.39	18.70	18.60
Western	12.44	12.33	0.57	0.53	18.91	18.39

## TEXAS GEOGRAPHIC REGIONS

AREA	REGION NAME
1	HIGH PLAINS
2	LOW PLAINS
3	CROSSTIMBERS
4	BLACKLANDS
5N	NORTHEAST
5S	SOUTHEAST
6	TRANS-PECOS
7	EDWARDS PLATEAU
8	SOUTH CENTRAL
9	UPPER COAST
10	SOUTH



### TEXAS DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - DECEMBER 2001

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	22	9.17	3.80	3.11	5.70	8.80	293
2	13	1.85	3.90	3.20	5.68	8.88	499
3	306	48.18	3.78	3.13	5.68	8.82	354
4	101	6.54	3.84	3.14	5.66	8.81	405
5N	356	21.83	3.78	3.16	5.68	8.85	444
5S	14	0.43	3.79	3.11	5.63	8.74	427
6	13	6.02	3.66	3.06	5.65	8.72	301
7	16	2.51	3.81	3.21	5.67	8.88	425
8	45	2.04	3.97	3.24	5.62	8.86	446
9	4	0.15	3.63	3.04	5.57	8.61	639
10	12	1.27	4.40	3.46	5.69	9.15	474
TOTAL	902	100.00	3.79	3.14	5.68	8.82	377

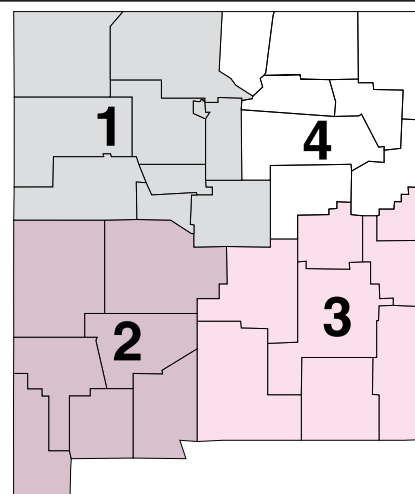
### TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS\* - DECEMBER 2001

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-100	101-250	251-500	501-750	751-1000	1001->	
1	2	4	2	2	4	8	23,023
2	6	3	2	0	0	2	4,649
3	91	85	60	21	16	33	120,935
4	51	32	13	2	1	2	16,419
5N	180	114	49	8	1	4	54,794
5S	12	1	1	0	0	0	1,090
6	2	2	1	2	0	6	15,112
7	7	2	3	1	1	2	6,311
8	31	9	4	1	0	0	5,128
9	2	2	0	0	0	0	370
10	2	7	0	3	0	0	3,180
TOTAL	386	261	135	40	23	57	251,011

\*ESTIMATED BASED ON A 55 LB/DAY/COW AVERAGE

## NEW MEXICO GEOGRAPHIC REGIONS

AREA	REGION NAME
1	NORTHWEST
2	SOUTHWEST
3	SOUTHEAST
4	NORTHEAST



### NEW MEXICO DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - DECEMBER 2001

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	15	4.03	3.78	3.14	5.65	8.79	290
2	36	19.92	3.71	3.10	5.71	8.81	269
3	122	76.05	3.73	3.15	5.67	8.81	316
4	0	0	0	0	0	0	0
TOTAL	173	100.00	3.73	3.14	5.68	8.81	306

### NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS\* - DECEMBER 2001

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-250	251-500	501-1000	1001-2000	2001-3000	3001->	
1	5	4	3	1	2	0	9,673
2	2	6	5	16	6	1	47,844
3	12	7	15	53	29	6	182,690
4	0	0	0	0	0	0	0
TOTAL	19	17	23	70	37	7	240,207

\*ESTIMATED BASED ON A 65 LB/DAY/COW AVERAGE

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

Class Prices & P.P.D.						Component Prices				NASS Product Prices			
	I a/	II	III	IV	P.P.D.a/	BF	Other Solids	True Protein	SCC c/ Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
Month	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
December	15.13	13.97	9.37	13.27	3.54	165.34	8.29	103.78	.00054	146.98	108.98	101.58	21.72
Averages 2000b/	14.55	12.53	9.74	11.83	2.86	125.22	5.09	169.38	.00057	114.08	113.13	101.15	18.63
January 2001	16.99	12.82	9.99	12.13	3.63	128.96	11.20	161.81	.00056	117.25	111.80	101.65	24.84
February	14.94	13.43	10.27	12.70	2.97	146.26	11.99	149.51	.00057	131.43	114.67	101.37	25.61
March	15.65	14.17	11.42	13.46	2.76	168.20	10.39	164.98	.00064	149.42	127.37	101.27	24.06
April	16.44	15.10	12.06	14.41	2.85	194.83	10.81	154.43	.00067	171.26	134.23	101.45	24.46
May	17.21	15.72	13.83	15.04	2.22	211.91	12.29	191.08	.00076	185.27	151.29	101.80	25.90
June	17.99	16.05	15.02	15.33	1.83	220.89	14.09	216.70	.00081	192.63	162.11	101.48	27.64
July	18.34	15.96	15.46	14.81	1.66	218.83	15.10	231.75	.00083	190.94	165.73	96.34	28.62
August	18.40	15.98	15.55	15.06	1.88	229.76	15.35	221.88	.00083	199.90	166.93	94.73	28.86
September	18.56	16.24	15.90	15.59	1.70	244.49	15.20	216.47	.00085	211.98	170.85	94.97	28.71
October	18.93	13.53	14.60	12.77	1.45	165.26	14.82	266.64	.00078	147.01	155.91	94.41	28.35
November	18.76	12.78	11.31	11.97	3.77	145.00	14.70	180.45	.00062	130.40	123.22	93.49	28.23
December	14.98	12.61	11.80	11.79	1.65	143.22	15.17	197.82	.00064	128.94	127.62	91.99	28.68
Averages 2001b/	17.27	14.53	13.10	13.76	2.36	184.80	13.43	196.13	.00071	163.04	142.64	97.91	27.00
January 2002	14.96	12.69	11.87	11.93	1.79	148.46	13.92	196.60	.00065	133.24	129.22	91.61	27.47

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

**POUNDS OF GRADE A MILK MARKETING BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2000 THROUGH JANUARY 2002, WITH PRODUCTION PERCENTAGE COMPARISONS**

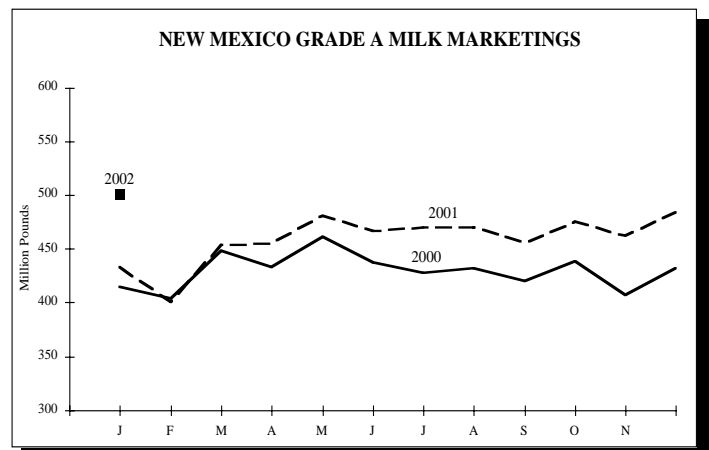
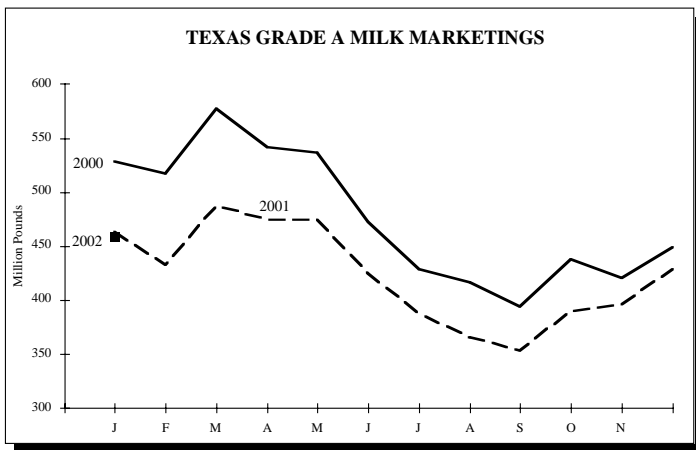
MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT CHANGE 2001/00	2002/01
January	528,032,131	1,156	463,431,654	1,026	458,465,287	896	-12.23	-1.07
February	517,023,791	1,141	432,156,106	1,006			-13.43	
March	577,134,609	1,134	487,875,678	991			-15.47	
April	540,903,763	1,121	474,386,881	978			-12.30	
May	536,505,477	1,112	474,113,159	961			-11.63	
June	472,478,168	1,103	424,655,275	953			-10.12	
July	428,683,700	1,089	387,938,852	932			-9.50	
August	415,788,563	1,082	365,355,835	918			-12.13	
September	393,642,034	1,066	352,986,582	915			-10.33	
October	437,963,207	1,058	389,680,164	907			-11.02	
November	420,274,058	1,041	395,729,842	906			-5.85	
December	<u>448,671,268</u>	1,033	<u>428,007,707</u>	902			<u>-4.61</u>	
Years Total	5,717,100,769		5,076,317,735				-11.21	

\*Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETING BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2000 THROUGH JANUARY 2002, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT CHANGE 2001/00	2002/01
January	414,930,653	158	432,749,978	166	501,275,998	174	+4.29	+15.84
February	404,085,655	158	400,543,634	166			+2.66	
March	447,971,781	158	453,232,150	165			+1.17	
April	433,303,618	159	454,980,340	167			+5.00	
May	461,526,991	159	480,995,372	169			+4.22	
June	437,718,050	159	466,640,323	170			+6.61	
July	427,456,503	159	469,362,545	171			+9.80	
August	431,815,797	160	469,391,326	174			+8.70	
September	419,669,872	161	455,259,423	173			+8.48	
October	438,410,599	163	474,918,306	173			+8.33	
November	407,114,759	167	462,212,000	173			+13.53	
December	<u>431,351,678</u>	166	<u>484,020,641</u>	173			<u>+12.21</u>	
Years Total	5,155,355,956		5,502,832,988				+6.74	

\*Based on average daily delivery.



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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 2001	3.81	3.72	3.13	3.10	5.69	5.67	8.81	8.76	422	366
February	3.72	3.69	3.08	3.06	5.69	5.68	8.76	8.74	421	388
March	3.64	3.61	3.07	3.04	5.71	5.70	8.78	8.74	414	348
April	3.54	3.54	3.04	3.01	5.68	5.68	8.72	8.69	383	302
May	3.51	3.48	3.02	2.98	5.67	5.69	8.68	8.66	397	296
June	3.54	3.47	3.01	2.94	5.68	5.70	8.68	8.63	400	295
July	3.57	3.47	3.00	2.91	5.64	5.65	8.63	8.56	430	315
August	3.59	3.45	3.05	2.95	5.61	5.63	8.65	8.58	454	335
September	3.68	3.52	3.11	3.01	5.63	5.66	8.73	8.68	447	328
October	3.76	3.61	3.18	3.09	5.65	5.67	8.83	8.76	385	284
November	3.76	3.67	3.15	3.12	5.67	5.67	8.82	8.78	364	285
December	3.79	3.73	3.14	3.14	5.68	5.68	8.82	8.81	377	306
Averages 2001	3.66	3.58	3.08	3.03	5.67	5.67	8.74	8.70	408	321
January 2002	3.78	3.71	3.12	3.09	5.69	5.69	8.81	8.78	364	322

a/ In thousands.

JANUARY 2002  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$412,975.69
Class I Butterfat	60(a)	8,428,198	\$1.4239	\$12,000,911.13
Class I Skim Per Cwt		356,953,165	\$10.3400	\$36,908,957.29
Class II Butterfat	60(b)	6,088,341	\$1.4916	\$9,081,369.47
Class II Nonfat Solids		6,029,063	\$0.8600	\$5,184,994.18
Class III Butterfat	60(c)	10,265,576	\$1.4846	\$15,240,274.17
Class III Protein		9,018,626	\$1.9660	\$17,730,618.71
Class III Other Solids		16,537,343	\$0.1392	\$2,301,998.18
Class IV Butterfat	60(d)	4,954,485	\$1.4846	\$7,355,428.43
Class IV Nonfat Solids		5,585,710	\$0.7761	\$4,335,069.54
Class II, III & IV Somatic Cell Adj.	60(e)			\$61,078.99
Total Producer Milk-Product Lbs & Value		794,342,053		\$110,613,675.78
Add: Value as for 60(f) Thru 60(j)				\$53,000.09
Less: Total Protein Pounds	61(b)	24,647,525	<b>\$1.9660</b>	\$48,457,034.14
Total Other Solids Pounds		45,216,541	<b>\$0.1392</b>	\$6,294,142.50
Total Butterfat Pounds		29,736,600	<b>\$1.4846</b>	\$44,146,956.40
Total Value of Somatic Cell Adjustment				\$80,995.71
<b>Total Milk and Value</b>		794,342,053		\$11,687,547.12
Add: Location Differential Adjustments	61(c)			\$2,542,069.92
Producer-Settlement Fund	61(d)			\$326,387.81
<b>Total Producer Milk/URSP and Value</b>		794,371,272	\$1.83239	\$14,556,004.85
Less: Producer-Settlement Fund	61(f)		\$0.04239	\$336,759.08
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.79</b>	<b>\$14,219,245.77</b>

# THE MARKET ADMINISTRATOR'S *REPORT*

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## JANUARY 2002 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	365,381,363	46.00	8,428,198	28.34	356,953,165	46.68
Class II	72,047,881	9.07	6,088,341	20.47	65,959,540	8.63
Class III	290,715,185	36.60	10,265,576	34.53	280,449,609	36.68
Class IV	66,197,624	8.33	4,954,485	16.66	61,243,139	8.01
Total	794,342,053	100.00	29,736,600	100.00	764,605,453	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,548,370	46.85	21,144,955	46.76	32,693,322	46.79
Class II	2,123,473	8.62	3,905,590	8.64	6,029,063	8.63
Class III	9,018,626	36.59	16,537,343	36.57	25,555,971	36.58
Class IV	1,957,056	7.94	3,628,653	8.03	5,585,710	8.00
Total	24,647,525	100.00	45,216,541	100.00	69,864,066	100.00