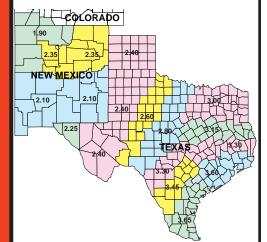
### THE MARKET ADMINISTRATOR'S

# REPORT





#### SOUTHWEST MARKETING AREA

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VOLUME XXVIII, NO. 9

SEPTEMBER 2002

#### MARKET SUMMARY FOR AUGUST

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 \$2.41 for August. Butterfat price decreased \$0.0228 per pound from \$1.0929 in July to the level of \$1.0701 in August. Protein price increased \$0.0926 per pound from \$1.8095 in July to \$1.9021 in August. August's Other Solids price increased \$0.0027 per pound from the previous month to \$0.0177. The Somatic Cell Count adjustment rate factor for August was .00056 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a August statistical uniform price of \$11.95 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 \$0.14 in comparison to the statistical blend price of \$11.81 in July.

The August Class I price decreased 14 cents from \$13.62 in July to the August level of \$13.48. The

Boston Class I price of \$13.73 produced a dairy deficiency payment of \$1.44 for August. The Class II price for August of \$11.07 per hundredweight decreased \$0.07 from \$11.14 in July. August's Class III price increased \$0.21 from \$9.33 in July to \$9.54 in August. The Class IV price decreased \$0.04 from \$10.45 in July to \$10.41 in August.

In August 717 producers delivered a total of 779,287,134 pounds of milk. On a daily basis this represents a decrease of 5.87 percent from the producer receipts level in July but it represents an increase of 12.16 percent when compared to the producer receipts level of August 2001.

Producer milk classified as Class I during August amounted to 45.01 percent of total producer receipts. This figure is up from 39.26 percent in July but it is down from 51.41 percent in August 2001. The average butterfat test of producer milk pooled during August was 3.515 percent, average protein test was 2.964 percent, average other solids test was 5.673 percent and the average somatic cell count was 340,000.

Federal Order	Statis Uniforn		Producer Price Differential		Cla: Utiliz	
	Aug 02	<u>Jul 02</u>	Aug 02	<u>Jul 02</u>	Aug 02	<u>Jul 02</u>
Appalachian	12.87	12.88			72.52	69.57
Arizona-Las Vegas	11.04	10.87			35.60	32.44
Central	10.58	10.44	1.04	1.11	27.02	24.38
Florida	14.19	14.19			91.98	90.14
Mideast	11.19	10.85	1.65	1.52	41.60	36.60
Northeast	12.16	12.05	2.62	2.72	43.30	39.40
Pacific Northwest	10.66	10.66	1.12	1.33	26.34	25.55
Southeast	12.63	12.55			67.28	62.60
Southwest	11.95	11.81	2.41	2.48	45.01	39.26
Upper Midwest	10.20	10.13	0.66	0.80	19.90	21.20
Western	10.35	10.26	0.81	0.93	21.50	20.57

#### USDA AMENDS GENERAL SPECIFICATIONS FOR DAIRY PLANTS APPROVED FOR USDA INSPECTION AND GRADING SERVICE

The United States Department of Agriculture has amended its "General Specifications for Dairy Plants Approved for USDA Inspection and Grading Service" document. USDA made the following changes for all producer herd milk including both cow's and goat's milk:

- •The maximum allowable bacterial estimate for producer herd milk has been lowered from 1,000,000 per milliliter to 500,000 per milliliter.
- •The follow-up procedure when producer herd milk exceeds the maximum allowable bacterial estimate has been modified.
- •The maximum permitted bacterial estimate in commingled milk has been lowered from 3,000,000 per milliliter to 1,000,000 per milliliter.
- •For producer herd milk for cow's milk only, USDA lowered the maximum allowable somatic cell count in cow's milk from 1,000,000 per milliliter to 750,000 per milliliter.

In addition to the above changes, USDA also updated the animal drug residue monitoring provision, and changed the keeping quality test temperature for whipped butter from 70 F to 72 F to align it with the keeping quality test temperature of butter.

USDA inspection and grading services assure the quality of dairy products and are offered to the dairy industry on a voluntary basis.

### AMENDMENTS TO FLUID MILK ORDER ANNOUNCED

The U.S. Department of Agriculture has announced that it is amending certain provisions of the Fluid Milk Promotion Order to conform with the recently enacted Farm Security and Rural Investment Act of 2002.

Under the amendments, the definition of fluid milk product will be modified to be consistent with the term as defined under Federal milk marketing orders. The "fluid milk processor" definition, will be revised to increase the exemption standard from 500,000 pounds to 3,000,000 pounds per month of fluid milk products that are processed and marketed commercially in consumer-type packages in the 48 contiguous United States and the District of Columbia. In addition, the exemption standard now excludes fluid milk products that are delivered directly to consumer residences.

The program is financed by a mandatory 20 cent per hundredweight assessment on all fluid milk products processed and marketed in consumer-type packages by fluid milk processors in the 48 contiguous states and the District of Columbia. Under the amendments, fluid milk processors who exceed the exemption standard will be charged the assessment.

Copies of the rule and additional information may be obtained from David R. Jamison, Dairy Programs, AMS, USDA, 1400 Independence Ave., SW, Stop 0233, Wahington, D.C. 20250-0233; Tel (202) 720-6909.

Texas Agricultural Cash Receipts by Commodity,

Ran	k Commodity	Receipts 1/	Percent of total
		\$1,000	
1	Cattle and Calves	6,812,228	49.4
2	Greenhouse and Nursery	1,225,244	8.9
3	Broilers	1,058,616	7.7
4	Cotton (lint and seed)	1,000,501	7.3
5	Milk (wholesale)	802,008	5.8
6	Corn	376,653	2.7
7	Hay	318,248	2.3
8	Wheat	276,012	2.0
9	Sorghum Grain	271,290	2.0
10	Eggs	267,077	1.9
11	Peanuts	202,473	1.5
12	Onions	106,386	0.8
13	Hogs	102,455	0.7
14	Cantaloupes	69,720	0.5
15	Cabbage	66,011	0.5
	All Others	840,648	6.1
	TOTAL	13,795,570	100.0

<sup>1/</sup> Excludes government payments.

New Mexico Agricultural Cash Receipts by Commodity, 2001

Rank	Commodity	Receipts 1/	Percent of total
		\$1,000	
1 Mil	k (wholesale)	814,592	36.8
2 Ca	ttle and Calves	807,053	36.4
3 Ha	у	157,814	7.1
4 Gre	eenhouse and Nursery	57,697	2.6
5 On	ions	54,311	2.5
6 Oth	ner Field Crops	45,000	2.0
7 Pe	ppers, Chili	44,245	2.0
8 Pe	cans	38,400	1.7
9 Co	tton (lint and seed)	35,135	1.6
10 Mis	sc. Vegetables	25,000	1.1
11 Wh	neat	22,281	1.0
12 Pe	anuts	18,437	0.8
13 Co	rn	16,169	0.7
14 Oth	ner Livestock	15,000	0.7
15 Eg	gs	11,946	0.5
All	Others	52,004	2.3
TO	TAL	2,215,084	100.0

<sup>1/</sup> Excludes cash receipts for livestock grazing.

#### **TOP TEN TEXAS COUNTIES a/ - AUGUST 2002**

County	Number of Producers	<u>Pounds</u>	% Change From <u>2001b/</u>	<u>County</u>	Number of Producers	<u>Pounds</u>	% Change From <u>2001b/</u>
1. Erath	117	96,111,421	- 2.37	7. Hamilton	16	12,276,829	+ 15.12
2. Hopkins	165	38,585,677	+ 6.34	8. Deaf Smith	4	12,006,585	+ 826.72
3. Comano	ne 37	33,222,521	- 5.45	9. Bailey	5	9,525,593	+ 133.07
4. Lamb	4	18,579,445	+ 13.47	10. Wood	44	9,441,799	- 2.72
5. El Paso	7	17,488,134	- 7.47	Ten County Total	454	264,651,526	+ 2.68 b/
6. Archer	55	17,413,522	+ 10.78	Other Counties Total	<u>400</u>	130,817,118	<u>+ 18.86</u>
	Grade "A" milk produced n counties for the month			Texas Total	851	395,468,644	+ 7.52

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

							Compon	ent Prices		N	ASS Produ	uct Prices	
		Class	Prices &	P.P.D.			Other	True	SCC c/	Grade AA	Cheddar	NFDM	Dry
	l a/	II	III	IV	P.P.D.a/	BF	Solids	Protein	Adj Rate	Butter	Cheese	Powder	Whey
Month		- Dollars	Per Hun	dred Wt				(	Cents Per P	ound			
June 2001	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
February	14.95	12.28	11.63	11.54	1.65	138.17	9.65	208.84	.00064	124.80	128.95	91.21	23.34
March	14.62	12.19	10.65	11.42	2.12	136.38	6.88	183.42	.00060	123.33	120.87	90.60	20.66
April	14.47	11.88	10.85	11.09	1.86	128.90	5.66	201.09	.00062	117.20	123.23	89.75	19.48
May	14.26	11.29	10.82	10.57	1.60	114.33	3.71	220.97	.00062	105.25	123.59	89.72	17.59
June	14.03	11.19	10.09	10.52	2.02	112.11	2.47	201.48	.00059	103.43	117.08	90.05	16.39
July	13.62	11.14	9.33	10.45	2.48	109.29	1.50	180.95	.00055	101.12	110.04	90.33	15.45
August	13.48	11.07	9.54	10.41	2.41	107.01	1.77	190.21	.00056	99.25	111.89	90.74	15.71

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

#### **TOP NEW MEXICO COUNTIES a/ – AUGUST 2002**

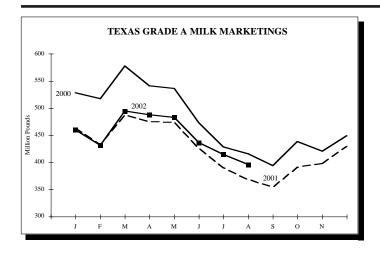
<u>County</u>	Number of Producers	<u>Pounds</u>	% Change From <u>2001b/</u>	<u>County</u>	Number of Producers	<u>Pounds</u>	% Change From <u>2001b/</u>	
1. Chaves	39	146,598,776	+ 5.29	7. Socorro	8	15,940,317	+ 16.23	
2. Curry	20	96,961,032	+ 28.13	8. Valencia	9	10,527,970	+ 4.37	
3. Roosevelt	41	96,799,969	+ 22.49	9. Bernalillo	5	6,207,565	- 0.08	
4. Dona Ana	25	76,974,356	+ 6.01					
5. Lea	16	42,384,192	+ 11.19	Nine County Total	170	519,079,079	+ 13.13 b/	
6. Eddy	7	26,684,902	+ 10.48	Other Counties Total	<u>6</u>	13,606,626	+ 28.74	
a/ All known Grade "A" milk b/ Compared to top countie				New Mexico Total	176	532,685,705	+ 13.48	

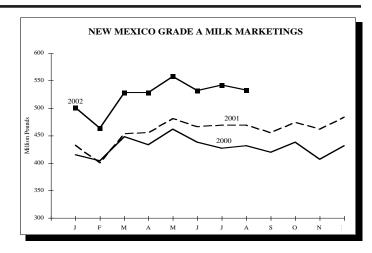
## POUNDS OF GRADE A MILK MARKETED BY PRODUCERS LOCATED IN TEXAS BY MONTHS: JANUARY 2000 THROUGH AUGUST 2002, WITH PRODUCTION PERCENTAGE COMPARISONS

MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT 2001/00	CHANGE 2002/01
January	528,032,131	1,156	463,431,654	1,026	459,850,238	897	-12.23	-0.77
February	517,023,791	1,141	432,156,106	1,006	431,807,361	894	-13.43	-0.08
March	577,134,609	1,134	487,875,678	991	494,608,931	893	-15.47	+1.38
April	540,903,763	1,121	474,386,881	978	487,475,741	889	-12.30	+2.76
May	536,505,477	1,112	474,236,039	962	482,994,330	875	-11.61	+1.85
June	472,478,168	1,103	425,591,909	954	435,698,971	872	-9.92	+2.37
July	428,683,700	1,089	389,996,462	933	414,700,943	862	-9.02	+6.33
August	415,788,563	1,082	367,810,615	919	395,468,644	851	-11.54	+7.52
September	393,642,034	1,066	354,482,882	916			-9.95	
October	437,963,207	1,058	391,332,224	908			-10.65	
November	420,274,058	1,041	397,352,762	907			-5.45	
December	448,671,268	1,033	429,232,267	903			<u>-4.33</u>	
Years Total	5,717,100,769		5,087,885,479				-10.76	

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

MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT 2001/00	CHANGE 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	463,667,936	173	+2.66	+15.76
March	447,971,781	158	453,232,150	165	528,830,087	175	+1.17	+16.68
April	433,303,618	159	454,980,340	167	528,467,048	175	+5.00	+16.15
May	461,526,991	159	480,995,372	169	557,746,887	176	+4.22	+15.96
June	437,718,050	159	466,640,323	170	532,178,000	178	+6.61	+14.04
July	427,456,503	159	469,362,545	171	542,546,821	176	+9.80	+15.59
August	431,815,797	160	469,391,326	174	532,685,705	176	+8.70	+13.48
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	431,351,678	166	484,020,641	173			+12.21	
Years Total	5,155,355,956		5,504,306,038				+6.74	





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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie L. Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an Equal Opportunity provider and employer.

	Т	EXAS A	ND NEW I	/IEXICO	MARKET	COMP	ONENT TE	ST		
	Butt	<u>erfat</u>	Prot	<u>ein</u>	Other	<u>Solids</u>	<u>S-N</u>	<u>l-F</u>	SCO	<u>C_</u> a/
<u>Month</u>	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
August 2001	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
February	3.77	3.71	3.09	3.06	5.70	5.69	8.79	8.75	371	327
March	3.72	3.66	3.08	3.03	5.71	5.70	8.79	8.73	335	294
April	3.63	3.56	3.03	2.98	5.70	5.71	8.73	8.68	342	275
May	3.58	3.49	3.01	2.96	5.68	5.69	8.68	8.65	342	256
June	3.58	3.47	2.99	2.92	5.69	5.69	8.67	8.61	366	263
July	3.59	3.45	3.00	2.91	5.67	5.69	8.66	8.60	407	290
August	3.58	3.47	3.02	2.93	5.65	5.68	8.67	8.61	414	303
a/ In thousands.										

#### AUGUST 2002 COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

			Pounds	Price	Value
Add: Class I Differer	ntial				\$381,275.41
Class I Butterfa	at	60(a)	8,257,347	\$1.1322	\$9,348,968.28
Class I Skim P	er Cwt	,	342,513,477	\$9.8600	\$33,771,828.83
Class II Butterf	at	60(b)	7,387,296	\$1.0771	\$7,956,856.53
Class II Nonfat	Solids		8,526,380	\$0.8400	\$7,162,159.20
Class III Butter	fat	60(c)	8,781,359	\$1.0701	\$9,396,932.29
Class III Protei			7,228,861	\$1.9021	\$13,750,016.52
Class III Other			13,912,213	\$0.0177	\$246,246.18
Class IV Butter		60(d)	2,962,232	\$1.0701	\$3,169,884.47
Class IV Nonfa			6,909,109	\$0.7674	\$5,302,050.25
-	/ Somatic Cell Adj.	60(e)			\$62,882.28
Total Producer	Milk-Product Lbs & \	Value	779,287,134		\$90,549,100.24
Add: Value as for 60	0(f) Thru 60(j)				\$16,580.36
Less: Total Protein P	ounds	61(b)	23,100,171	\$1.9021	\$43,938,835.23
Total Other So		G 1 (15)	44,208,229	\$0.0177	\$782,485.67
Total Butterfat	Pounds		27,388,234	\$1.0701	\$29,308,149.22
Total Value of	Somatic Cell Adjustm	nent		•	\$44,150.93
	•				
Total Milk and	l Value		779,287,134		\$16,492,059.55
Add: Location Differ	ential Adjustments	61(c)			\$2,291,538.77
Producer-Settle	,	61(d)			\$341,820.17
		0 . (0.)			ψο,σ=σ
Total Produce	er Milk/URSP and Va	alue	779,287,134	\$2.45422	\$19,125,418.49
Less: Producer-Settle	ement Fund	61(f)		\$0.04422	\$344,598.56
Producer Pric	e Differential (Dalla	s County)		\$2.41	\$18,780,819.93



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### AUGUST 2002 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

	Producer Milk Utilization Percentages											
	Product Butterfat Skim Milk											
	Pounds	Percent	Pounds	Percent	Pounds	Percent						
Class I	350,770,824	45.01	8,257,347	30.15	342,513,477	45.55						
Class II	102,492,645	13.15	7,387,296	26.97	95,105,349	12.65						
Class III	245,735,989	31.54	8,781,359	32.06	236,954,630	31.52						
Class IV	Class IV 80,287,676 10.30 2,962,232 10.82 77,325,444 10.28											
Total	tal 779,287,134 100.00 27,388,234 100.00 751,898,900 100.00											

	Producer Milk Component Utilization Percentages											
	Protein		Other Solids		Nonfat Solids							
Pounds Percent Pounds Percent Pounds Percent												
Class I	10,594,673	45.86	20,137,166	45.55	30,731,839	45.66						
Class II	2,925,931	12.67	5,600,447	12.67	8,526,380	12.67						
Class III	7,228,861	31.29	13,912,213	31.47	21,141,072	31.41						
Class IV	Class IV 2,350,706 10.18 4,558,403 10.31 6,909,109 10.26											
Total												